

DATE: MONDAY, MARCH 27, 2017 AT 5:30 PM
TO: ALL PARTIES SET OUT ON THE ATTACHED TWO SERVICE LISTS
DATED JUNE 16, 2016 AND DECEMBER 2, 2016 RESPECTIVELY
SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)
GROWTHWORKS ET AL
COURT FILE NO. CV- 13-10279-00CL
FROM: GERALD S. FIELDS
LAWYER FOR THE APPLICANT,
CORNERSTONE SECURITIES CANADA INC.

MOTION RECORD OF THE APPLICANT

CORNERSTONE SECURITIES CANADA INC.

Attached are the following documents now served upon you pursuant to the *Rules of Practice*.

HISTORY

Counsel for the Applicant, **Cornerstone Securities Canada Inc.**, and Counsel for **GrowthWorks Canadian Fund Ltd.** (the "Fund"), attended before Justice Hainey in Chambers on March 17, 2017. Attached is a copy of the Endorsement of Justice Hainey dated March 17, 2017 ordering a thirty-minute Hearing in Chambers at 330 University Avenue, Toronto, Ontario for 10:00 AM on Friday, March 31, 2017 to determine service issues only. The Hearing Date has been cleared by all parties.

The Applicant, who has been on the *Commercial Court Service List* since February 18, 2015 pursuant to the consent of all parties and the Endorsement of Justice Spence made on February 17, 2015 on the consent of all parties, is seeking an Order compelling the Fund and the Former Manager to serve the Applicant with all notices and copies of all materials as and when served on the Fund and on the Former Manager as required under the *Rules of Practice*, the *Commercial Court Rules*, and the *Guide Concerning Commercial List E-Service Effective July 1, 2014*.

The Honorable Justice Hailey is seized of pre-trial matters and has encouraged all counsel to cooperate and attempt to resolve the issues so that the Hybrid Trial can proceed in an efficient manner.

A copy of the Endorsement of Justice Hailey dated March 17, 2017 together with a copy the Motion Record containing all of the attachments listed herein have now been served on all parties who are set out on the two Commercial Court Lists - on all parties who are set out on the Commercial Court List dated June 16, 2016 and on all parties who are set out on the Commercial Court List dated December 2, 2016; both Service Lists prepared by McCarthy Tétrault LLP, Counsel for the Fund.

Please confirm by email prior to 5 PM ET on Wednesday, March 29, 2017 whether you consent to the attached Draft Order by email to: gfields@cornerstonegroup.com.

GERALD S. FIELDS

Barrister and Solicitor
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto, Ontario
M5X 1E3

Tel.: (416) 862-8000
Fax: (416) 862-8001
Email: gfields@cornerstonegroup.com

LSUC # 14214J

**Lawyer for the Applicant,
Cornerstone Securities Canada Inc.**

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TAB

1. **Motion Record and Notice of Motion**
2. **Copy of Requested Draft Order – Justice Haaney – March 31, 2017**
3. **Copy of Endorsement by Justice Haney on March 17, 2017**
4. **Copy of Endorsement by Justice Spence** in favour of the Applicant, Cornerstone Securities Canada Inc., made on the Consent of all Parties on February 17, 2015
5. **Copy of Relevant Emails – March 23, 2017** – Email from Counsel from the Monitor Confirming that the **Monitor Agrees to Post All Filed Litigation Documents from the Fund and from the Former Manager** on the Monitor's Website Immediately Upon Their Receipt by Counsel for the Monitor
6. Copy of Ontario Superior Court Practice – Practice Directions and Policies – ***Guide Concerning Commercial List E-Service Effective July 1, 2014***
7. Copy of **Service List dated June 16, 2016** prepared by McCarthy Tétrault LLP, Counsel for the Fund as served on the Applicant by McCarthy Tétrault LLP setting out the Applicant as a party to be served
8. Copy of **Service List dated December 2, 2016**, prepared by McCarthy Tétrault LLP, Counsel for the Fund as served on the Applicant by McCarthy Tétrault LLP setting out the Applicant as a party to be served
9. Copy of **Service List dated February 18, 2015 as it appears on the Monitor's Website as of March 27, 2017** based upon the Appearance filed by the Applicant on February 18, 2015 pursuant upon the Endorsement of Justice Spence made with the consent of all parties on February 17, 2015

10. Copy of the **Motion Record of the Fund dated December 2, 2016 served on the Applicant**, Cornerstone Securities Canada Inc., by McCarthy Tétrault LLP, Counsel for the Fund, returnable December 12, 2016, as per the attached Service List dated June 16, 2016 and as per the attached Service List dated December 2, 2016 which were both served on the Applicant by Counsel for the Fund together with the Motion Record dated December 2, 2016
11. Copy of the **Counsel Slip of December 12, 2017** showing Cornerstone Securities Canada Inc. as Respondent No. 14 on the Commercial Court List for December 12, 2016 and the **Endorsement of Justice Newbould** dated December 12, 2016
12. Copy of the **Order of Justice Newbould dated December 12, 2017** allowing GrowthWorks WV Management Ltd. to file its Amended Reply and Defense to Counterclaim against the Fund in the CCAA Action
13. Copy of the **Amended Reply and Defence to Counterclaim of GrowthWorks WV Management Ltd.** filed December 20, 2016
14. **Copy of Status Update for the Fund as it appears on the Monitor's Website** as of March 27, 2017 – *Last entry was December 12, 2016*
15. **Copy of Motion Materials for the Fund as it appears on the Monitor's Website** as of March 27, 2017 – *Last entry was December 12, 2016 erroneously set out as December 12, 2015*
16. **Copy of Monitor Reports for the Fund as it appears on the Monitor's Website** as of March 27, 2017 – *Last entry was January 26, 2017*

17. Copy of the **Carry Payment Note** in favour of the Applicant, Cornerstone Securities Canada Inc., (the "Affected Creditor") in the amount of \$490,700.14 plus interest from **GrowthWorks Ltd. / David Levi** in the British Columbia Bankruptcy Proceedings of Matrix Asset Management Inc. The Carry Payment Note, dated December 30, 2016, was mailed to the Applicant by the Bankruptcy Trustee by ordinary mail on January 17, 2017 as reflected in the materials and is similar in structure to the Carry Payment Notes received by all creditors who filed a claim in the British Columbia Bankruptcy Proceedings. *Faskens* (Vancouver) acted for the parties in the concurrent British Columbia Bankruptcy Proceedings and *Faskens* (Toronto) acted for the parties in the concurrent Ontario CCAA Proceedings. *Faskens* has been served with all documents when acting as Counsel in the BIA Proceedings in Vancouver and as Counsel in the CCAA Proceedings in Toronto and is served with this Motion Record effective March 27, 2017
18. Copy of **Commercial Court Memo** from Alsou Anissimova confirming that the Trial was to take place on the week of March 20, 2017 instead of March 27, 2017 by direction of Justice Newbould
19. **Form 62-103F1 – Required Disclosure Under The Early Warning Requirements – Matrix / GrowthWorks / David Levi** – Filed on SEDAR on January 27, 2017
20. **Shareholder Early Warning News Release** – Matrix / GrowthWorks / David Levi – Filed on SEDAR on January 27, 2017
21. **Certificate of Dissolution** – Matrix / GrowthWorks / David Levi – Filed on SEDAR on January 27, 2017
22. **Extracts from Annual Information Forms (AIFs)** – Matrix / GrowthWorks – For 2014 - Filed on SEDAR on March 31, 2014; For 2013 – Filed on SEDAR on April 2, 2013; For

- 23. Extracts from Management Information Circulars – Matrix / GrowthWorks – For 2014**
– Filed on SEDAR on June 4, 2014; For 2013 - Filed on SEDAR on June 4, 2013; For
2012 – Filed on SEDAR on April 19, 2012; For 2011- Filed on SEDAR on April 18, 2011
- 24. Form 51-102F6 – Matrix / GrowthWorks – Statement of Executive Compensation for the
Year Ended December 31, 2013 as filed on SEDAR on May 21, 2014**

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C.1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.

BETWEEN:

GROWTHWORKS WV MANAGEMENT LTD.

Plaintiff

and

GROWTHWORKS CANADIAN FUND LTD.

Defendant

**MOTION RECORD FOR THE APPLICANT
CORNERSTONE SECURITIES CANADA INC.
(Returnable March 31, 2017)**

GERALD S. FIELDS
Barrister and Solicitor
The Exchange Tower
130 King Street West
Suite 1800
Toronto, Ontario
M5X 1E3

Tel.: 416-862-8000
Email: gfields@cornerstonegroup.com
LSUC#: 14214J
Lawyer for the Applicant
Cornerstone Securities Canada Inc.

TO: THE ATTACHED SERVICE LIST DATED JUNE 16, 2016

AND TO: THE ATTACHED SERVICE LIST DATED DECEMBER 2, 2016

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.

GROWTHWORKS WV MANAGEMENT LTD. and GROWTHWORKS CANADIAN FUND LTD.

Plaintiff

Defendant

Court File No. CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD FOR THE APPLICANT
CORNERSTONE SECURITIES CANADA INC.**

GERALD S. FIELDS
Barrister and Solicitor
The Exchange Tower
130 King Street West
Suite 1800
Toronto, Ontario
M5X 1E3

Tel.: 416-862-8000
Fax: 416-862-8001
Email:
gfields@cornerstonegroup.com

LSUC#: 14214J

Lawyer for the Applicant
Cornerstone Securities Canada Inc.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C.1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.

BETWEEN:

GROWTHWORKS WV MANAGEMENT LTD.

Plaintiff

and

GROWTHWORKS CANADIAN FUND LTD.

Defendant

NOTICE OF MOTION

(Re: Service on Cornerstone Securities Canada Inc.)

Cornerstone Securities Canada Inc. (the "Applicant") will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on **Friday, March 31, 2017** at **10:00 AM** or as soon after that time as the motion can be heard at 330 University Avenue in Toronto.

THE MOTION IS FOR:

- a) An Order compelling the parties to provide the Applicant with all notices and with all materials as and when served or filed with the Court by Counsel for the Fund, Counsel for the Former Manager, or by Counsel for the Monitor for the above style of action from and after February 18, 2015, the date of the filing of an Appearance by the Applicant; and,
- b) such other relief as this Honorable Court may allow.

THE GROUNDS FOR THE MOTION ARE:

1. Pursuant to the Endorsement of Justice Spence dated February 17, 2015, made with the consent of all parties, the Applicant filed an Appearance on consent on February 18, 2015. The Endorsement of Justice Spence dated February 17, 2015 is attached.
2. The Applicant appears as a party to be served on the Service List on the Monitor's Website as of February 18, 2015. The February 18, 2015 Service List is attached. As of March 27, 2017, the February 18, 2015 Service List is the only Service List that appears on the Monitor's Website.
3. The Applicant also appears as a party to be served on the Service List dated June 16, 2016 prepared by McCarthy Tétrault LLP, Counsel for the Fund. The June 16, 2016 Service List is attached.

4. The Applicant also appears as a party to be served on the Service List dated December 2, 2016 as prepared by McCarthy Tétrault LLP, Counsel for the Fund. The December 2, 2016 Service List is attached.
5. The Applicant was in fact served by McCarthy Tétrault LLP, Counsel for the Fund, with the Motion Record for these proceedings returnable on December 12, 2016 before Justice Newbould. The December 12, 2016 Motion Record is attached.
6. The Applicant attended the Hearing on December 12, 2016 before Justice Newbould and made submissions and submitted the Endorsement of Justice Spence dated February 17, 2015 at which time Justice Newbold advised all Counsel that the Applicant's rights would not be affected by the scheduling of the Trial for March 27, 2017. The Endorsement of Justice Newbould regarding the Trial date is attached.
7. Since December 12, 2016, the Applicant has not been served with any materials or pleadings nor has the Applicant received notice of any of the proceedings from Counsel for the Fund, Counsel for the Former Manager, or Counsel for the Monitor. The Applicant states and the fact is that Counsel for the Fund, Counsel for the Former Manager, and Counsel for the Monitor all failed to advise the Applicant prior to March 17, 2017 that the Trial date was to be rescheduled.

8. The Applicant had no notice whatsoever that the Trial date was to be rescheduled until March 17, 2017. The Applicant was advised by the Court Registrar at the Commercial List Counter on March 16, 2017 that the Trial was to be a ten-day trial and was to proceed as scheduled on Monday, March 27, 2017.
9. As recently as January 11, 2017, the Applicant was provided with a Carry Payment Note dated December 30, 2016 in favour of the Applicant in the amount of \$490,700.14 plus interest from David Levi on behalf of GrowthWorks Ltd. A copy of the Carry Payment Note dated December 30, 2016 from GrowthWorks Ltd. to the Applicant signed by David Levi is attached.
10. In accordance with *the Practice Directions and Policies Guide Covering Commercial List E-Service* effective July 1, 2014, the Applicant is to receive notice of all proceedings and is to be served with all materials as and when served by Counsel for the Fund, Counsel for the Former Manager and Counsel for the Monitor.

The Applicant relies upon the following:

- a) The provisions of the CCAA and the inherent and equitable jurisdiction of this Court;
- b) *The Rules of Civil Procedure*, R.R.O., 1990, Reg. 194, as amended, dealing with notice and service requirements;

- c) The *Practice Directions and Policies Guide Covering Commercial List E-Service* effective July 1, 2014; and,
- d) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

- 1. Each of the Documents set out in the Index to this Motion Record as included as part of this Motion Record; and,
- 2. Such further and other materials as counsel may advise and this Court may permit.

March 27, 2017

GERALD S. FIELDS
Barrister and Solicitor
The Exchange Tower
130 King Street West
Suite 1800
Toronto, Ontario
M5X 1E3

Tel.: 416-862-8000
Fax: 416-862-8001
Email:
gfields@cornerstonegroup.com

LSUC#: 14214J

Lawyer for the Applicant
Cornerstone Securities Canada Inc.

TO: THE ATTACHED SERVICE LIST DATED JUNE 16, 2016

AND TO: THE ATTACHED SERVICE LIST DATED DECEMBER 2, 2016

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.

GROWTHWORKS WV MANAGEMENT LTD. and GROWTHWORKS CANADIAN FUND LTD.

Plaintiff

Defendant

Court File No. CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

NOTICE OF MOTION

GERALD S. FIELDS
Barrister and Solicitor
The Exchange Tower
130 King Street West
Suite 1800
Toronto, Ontario
M5X 1E3

Tel.: 416-862-8000

Fax: 416-862-8001

Email:

gfields@cornerstonegroup.com

LSUC#: 14214J

Lawyer for the Applicant
Cornerstone Securities Canada Inc.

TAB 2

COPY OF REQUESTED DRAFT ORDER
JUSTICE HAINEY
MARCH 31, 2017

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C.1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.

THE HONOURABLE MR.) FRIDAY, THE 31st
)
JUSTICE HAINEY) DAY OF MARCH, 2017
(*Court Seal*)

BETWEEN:

GROWTHWORKS WV MANAGEMENT LTD.

Plaintiff

and

GROWTHWORKS CANADIAN FUND LTD.

Defendant

ORDER

(Re: Service on Cornerstone Securities Canada Inc.)

THIS MOTION, made this day by the Applicant, **Cornerstone Securities Canada Inc.**, for an Order compelling the parties to provide the Applicant with copies of all notices and of all materials as and when served or filed with the Court for the above style of action from and after February 18, 2015, the date of the filing of an Appearance by the Applicant, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING (i) the Endorsement of the Honourable Justice Spence dated February 17, 2015 in favour of the Applicant, Cornerstone Securities Canada Inc., made upon the Consent of Counsel for all parties present and with the Applicant's Counsel in attendance; (ii) the Counsel Slip and the Endorsement of the Honourable Justice Newbould dated December 12, 2016, also made with the Applicant's Counsel in attendance; (iii) the two Service Lists dated June 16, 2016 and December 2, 2016 respectively both prepared by McCarthy Tétrault LLP, Barristers and Solicitors, Counsel for GrowthWorks Canadian Fund Ltd., which two Service Lists set out the Applicant, Cornerstone Securities Canada Inc., and its Counsel, Gerald Fields, as a party to be served; (iv) the Service List dated February 18, 2015 that appears on the Monitor's Website as of March 27, 2017 which Service List sets out the Applicant, Cornerstone Securities Canada Inc., and its Counsel, Gerald Fields, as a party to be served; (v) the Carry Payment Note dated December 30, 2016 in the amount of \$490,700.14 plus interest in favour of the Applicant, Cornerstone Securities Canada Inc., signed by David Levi on behalf of GrowthWorks Ltd.; and, (vi) the additional materials filed by the Applicant in support of this Order including but not limited to the *Practice Directions and Policies Guide Covering Commercial List E-Service effective July 1, 2014*.

UPON HEARING the submissions of Counsel for the Applicant, Counsel for the Fund, Counsel for the Former Manager and Counsel for the Monitor, no one appearing for any other party although duly served.

1. **THIS COURT ORDERS** that the time for service of a Notice of Motion and Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

 2. **THIS COURT ORDERS** that Counsel for the Fund, Counsel for the Former Manager and Counsel for the Monitor forthwith serve upon the Applicant's Counsel, Gerald Fields, at gfields@cornerstonegroup.com electronic copies of all notices and all materials served or filed by them with the Court for the above style of action from December 12, 2016 to March 31, 2017 which materials are to be served forthwith electronically upon the Applicant's Counsel no later than 5:00 PM Eastern Time on Wednesday, April 5, 2017.

 3. **THIS COURT ORDERS** that Counsel for the Fund, Counsel for the Former Manager and Counsel for the Monitor serve upon the Applicant's Counsel, Gerald Fields, at gfields@cornerstonegroup.com on a continuous and uninterrupted basis electronic copies of all notices and all materials as and when served or filed by them with the Court for the above style of action from March 31, 2017 to the date of the final determination of the above style of action.
-

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.1985, c. C-36, AS AMENDED, AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.

GROWTHWORKS WV MANAGEMENT LTD. and GROWTHWORKS CANADIAN FUND LTD.

Plaintiff

Defendant

Court File No. CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

GERALD S. FIELDS

Barrister and Solicitor
The Exchange Tower
130 King Street West
Suite 1800
Toronto, Ontario
M5X 1E3

Tel.: 416-862-8000

Fax: 416-862-8001

Email:

gfields@cornerstonegroup.com

LSUC#: 14214J

Lawyer for the Applicant
Cornerstone Securities Canada Inc.

TAB 3

**COPY OF ENDORSEMENT OF
JUSTICE HAINEY
MADE ON MARCH 17, 2017**

March 17, 2017

$\frac{1}{2}$ hour hearing scheduled
for March 31/17 to determine
service issue. The
date has been
cleared.

Haring J.

TAB 4

**ENDORSEMENT OF
JUSTICE SPENCE
MADE ON CONSENT OF ALL PARTIES
FEBRUARY 17, 2015**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C 1985, c. C-36, AS AMENDED
 AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT
 TO GROWTHWORKS CANADIAN FUND LTD.

Nov 27/14 Court File No.: CV-13-10279-00CL

ONTARIO
 SUPERIOR COURT OF JUSTICE
 (Commercial List)
 Proceedings commenced at
 Toronto

RESPONDING AND CROSS MOTION RECORD
 OF GROWTHWORKS WV MANAGEMENT LTD. AND
 GROWTHWORKS CAPITAL LTD.

FASKEN MARTINEAU DUMOULIN LLP
 Barristers and Solicitors
 333 Bay Street, Suite 2400
 Bay Adelaide Centre, Box 20
 Toronto, ON M5H 2T6
 Aubrey E. Kauffman (LSUC 18829N)
 Tel: 416-868-3538
 Fax: 416-564-7813
 Email: akauffman@fasken.com
 Counsel for GrowthWorks WV Management Ltd., and
 GrowthWorks Capital Ltd.

Nov 27/14
 K. McElderen
 A Kauffman

This motion is now scheduled to
 be heard on February 17/15 (today).
 Carlson - hmt

Feb 17/15
 Mr Kauffman
 Order to go on the form Mr McElderen
 filed Mr Field
 Mr Field for consistency
 may obtain a date from the
 office at 9:30 on a day convenient
 to the parties to seek instructions
 re the Commission required to
 make a late filing
 Spring

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF GROWTHWORKS CANADIAN FUND LTD.

FEB 17-15 Court File No: CV-13-10279-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

RESPONDING MOTION RECORD
(RETURNABLE FEBRUARY 17, 2015)

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Sharon A. Kaur LSUC#: 58328D
Tel: (416) 601-8305
Fax: (416) 868-0673
Email: skour@imccarthy.ca

Kevin P. McEliheran Professional
Corporation
420-120 Adelaide St W
Toronto ON M5H 1T1

Kevin McEliheran LSUC#: 22119H
Tel: (416) 855-0444
Email: kevin@mceclheranadr.com

Lawyers for the Applicant
14108661

AM

*Feb. 17/15
See response re courts motion
reced of Growthworks for
endorsement of today
Spencer*

TAB 5

RELEVANT EMAILS

**MONITOR AGREES BY EMAIL TO POST
ALL FILED LITIGATION DOCUMENTS
FROM THE FUND AND
FROM THE FORMER MANAGER
TO THE MONITOR'S WEBSITE
IMMEDIATELY UPON THEIR RECEIPT
BY COUNSEL FOR THE MONITOR
MARCH 23, 2017**

Gerry Fields

From: Caitlin Fell <Caitlin.Fell@mcmillan.ca>
Sent: Thursday, March 23, 2017 4:24 PM
To: Gerry Fields
Subject: RE: GrowthWorks et al - Endorsement of Justice Hainey made Friday, March 17, 2017 - Hearing to Take Place in Chambers on Friday, March 31, 2017 at 10 AM

Hi Mr Fields.

I have now spoken with my client- the Monitor. We will request all filed litigation documents from the Fund and the Former Manager and will be posting them on the Monitor's website as soon as we receive them.

Best regards,

Caitlin

mcmillan

Caitlin Fell

Associate
d 416.865.7841 | f 416.865.7048
Caitlin.Fell@mcmillan.ca

Assistant: Michelle Yung | 416.865.7142 | michelle.yung@mcmillan.ca

McMillan LLP

Lawyers | Patent & Trademark Agents
Brookfield Place, 181 Bay Street, Suite 4400
Toronto, Ontario M5J 2T3
mcmillan.ca

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Please consider the environment before printing this e-mail.

From: Gerry Fields [mailto:gfields@cornerstonegroup.com]
Sent: Thursday, March 23, 2017 4:05 PM
To: Hall, Geoff R.
Cc: Brett Harrison; Lewis, Atrisha S; Thakker, Sapna; Mel Solmon; Caitlin Fell; Gerry Fields; Lynne Silver
Subject: GrowthWorks et al - Endorsement of Justice Hainey made Friday, March 17, 2017 - Hearing to Take Place in Chambers on Friday, March 31, 2017 at 10 AM
Importance: High

Dear Mr. Hall,

1. It is most unfortunate that you are 100% at odds with the position taken by Caitlin Fell, Counsel for the Monitor, FTI Consulting Canada Inc., as expressly declared by you on our conference call this morning held for the sole purpose of determining all Service issues.
2. It is also unfortunate that you banged down the telephone on Caitlin Fell, myself and Mel Solmon after agreeing to participate in the four-way conference call this morning at 11:00 AM. You were brow beating Caitlin Fell who made it absolutely clear by her comments on our joint call that she did **not** agree with you and that the Monitor is and always will be "completely independent from the Fund".

3. Banging down the phone on all Counsel and then calling Caitlin Fell immediately after you banged down the telephone to have an independent discussion with her is unacceptable behavior from Senior Counsel. **This is contrary to the civility standards imposed by the Law Society of Upper Canada and will not be tolerated by the Court nor by the Law Society.**
4. Cornerstone has been on the Service Lists **since February 18, 2015 without any objection** pursuant to the **Endorsement** of Justice Spence made on February 17, 2015 **MADE ON THE EXPRESS CONSENT OF ALL PARTIES** and the filing of an **Appearance** by Cornerstone on February 18, 2017 **FILED ON THE EXPRESS CONSENT OF ALL PARTIES**. **Over two years have passed without any objection by any party.**
5. Caitlin Fell confirmed this morning in a subsequent call that I had with her after receiving her email to call her that, on behalf of the Monitor, she would **post all past and future materials filed in the CCAA Action on the Monitor's Website including all past and future materials relating to the upcoming Trial** between the Fund and the Former Manager controlled by Mr. David Ron Levi and provide all parties including Cornerstone appearing on the multiple Service Lists that McCarthy Tétrault LLP produced (sic) with all Notices of Hearings, etc. so that all parties on the Service List can elect to attend the Trial if they so choose and review all past and future materials relating to the CCAA Action and the Trial that **will now be posted to the Monitor's Website in real-time as and when filed with the Court.**
6. **Caitlin Fell agreed on my subsequent call with her that she will deliver a letter to all Counsel to this effect.**
7. You made it clear on our joint call this morning before you banged down the phone on all Counsel that this was not acceptable to you for reasons that are beyond comprehension and inconsistent with: (i) the *Commercial Court Rules*; (ii), the *Commercial List E-Service Guide effective July 1, 2014*; and, (iii) the *Rules of Practice*.
8. **You are attempting to add unnecessary costs, expenses and complexity to these proceedings. The purpose of the conference call that I organized with all Counsel was to avoid the Hearing on March 31, 2017 and now you are disagreeing with the position taken this morning by the independent Court-appointed Monitor trying to overrule the Monitor despite her express position taken on the call.** This is contrary to the intent and spirit of the *Commercial Court Rules*.
9. **I advised all Counsel on the call that I was content to accept the position of the independent Monitor and adjourn the March 31st Hearing *sine die* but you refused, preferring instead to bang down the telephone on all Counsel.**
10. It is entirely inconsistent that you are not providing all parties on the updated Service List with the required documents when you yourself prepared the Service Lists and previously served all documents on Cornerstone including the materials for the December 12, 2016 Hearing before Justice Newbould that all Counsel attended in Chambers.
11. At the Hearing before Justice Newbould on December 12, 2016, Mr. Solmon formally submitted to the Court that the Monitor and Counsel for the Monitor should not be present at the Trial. Of course, Mr. Justice Newbould would hear none of it. Mr. Justice Newbould reviewed at the December 12, 2016 Hearing the Endorsement of Justice Spence dated February 17, 2015 in favour of Cornerstone that Cornerstone submitted to Justice Newbould for review and Justice Newbould stated (you were there) that Cornerstone's position would not be affected.
12. Unless I hear from you to the contrary by 5:00 PM ET on Monday, March 27, 2017, the Hearing before Justice Hainey in Chambers will proceed as planned on **Friday March 31, 2017 at 10:00 AM.**

Gerry Fields, LL.B., J.D.
President and General Counsel
CORNERSTONE GROUP™
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto, Ontario
M5X 1E3

Email: gfields@cornerstonegroup.com
Tel.: (416) 862-8000
Fax: (416) 862-8001
Mobile: (416) 567-7000 / (917) 965-5490
Toll-Free: 1-888-COUNSEL (1-888-268-6735)

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From: Hall, Geoff R. [<mailto:GHALL@MCCARTHY.CA>]
Sent: Thursday, March 23, 2017 1:38 PM
To: Gerry Fields <gfields@cornerstonegroup.com>
Cc: Brett Harrison <Brett.Harrison@mcmillan.ca>; Lewis, Atrisha S <alewis@mccarthy.ca>; Thakker, Sapna <STHAKKER@mccarthy.ca>; Lynne Silver <silver@cornerstonegroup.com>; Mel Solmon <msolmon@srglegal.com>; Caitlin Fell <Caitlin.Fell@mcmillan.ca>
Subject: RE: GrowthWorks et al - Endorsement of Justice Hainey made Friday, March 17, 2017

Further to our call this morning, please do not take any steps to cancel the March 31, 2017 appearance before Justice Hainey. It is clear that there are issues that need to be sorted out that will require the hearing to sort them out. Thank you.



Geoff R. Hall
Partner | Associé
Litigation | Litige
T: 416-601-7856
C: 416-315-6423
F: 416-868-0673
E: ghall@mccarthy.ca

McCarthy Tétrault LLP
Suite 5300
TD Bank Tower
Box 48, 66 Wellington Street West
Toronto ON M5K 1E6



From: Gerry Fields [<mailto:gfields@cornerstonegroup.com>]
Sent: Monday, March 20, 2017 9:06 AM
To: Hall, Geoff R.; Mel Solmon; Caitlin Fell

Cc: Brett Harrison; Lewis, Atrisha S; Thakker, Sapna; Gerry Fields; Lynne Silver
Subject: RE: GrowthWorks et al - Endorsement of Justice Hainey made Friday, March 17, 2017

Geoff, Mel and Caitlin,

The conference call is now confirmed for this Thursday at 11 AM.

I will have my office originate the call to Geoff, Mel and Caitlin just prior to 11 AM on Thursday.

Thank you for your prompt responses.

Gerry

----- Original message -----

From: Mel Solmon <msolmon@srglegal.com>

Date: 3/20/17 8:07 AM (GMT-05:00)

To: Caitlin Fell <Caitlin.Fell@mcmillan.ca>, Gerry Fields <gfields@cornerstonegroup.com>

Cc: "Hall, Geoff R." <GHALL@MCCARTHY.CA>, Brett Harrison <Brett.Harrison@mcmillan.ca>, "Lewis, Atrisha S" <alewis@mccarthy.ca>, "Thakker, Sapna" <STHAKKER@mccarthy.ca>, Lynne Silver <lsilver@cornerstonegroup.com>, Mel Solmon <msolmon@srglegal.com>

Subject: RE: GrowthWorks et al - Endorsement of Justice Hainey made Friday, March 17, 2017

Fine with me – is it 11am?

e-mel

Melvyn L. Solmon

Solmon Rothbart Goodman LLP
375 University Avenue, Ste. 701
Toronto, Ontario M5G 2J5
Tel: (416) 947-1093
Fax: (416) 947-0079

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From: Caitlin Fell [<mailto:Caitlin.Fell@mcmillan.ca>]

Sent: Monday, March 20, 2017 7:07 AM

To: Gerry Fields

Cc: Hall, Geoff R.; Mel Solmon; Brett Harrison; Lewis, Atrisha S; Thakker, Sapna; Lynne Silver

Subject: Re: GrowthWorks et al - Endorsement of Justice Hainey made Friday, March 17, 2017

That time works for me.

Caitlin Fell
McMillan LLP
416-865-7841

On Mar 20, 2017, at 6:12 AM, Gerry Fields <gfields@cornerstonegroup.com> wrote:

Thanks Geoff.
Gerry

----- Original message -----

From: "Hall, Geoff R." <GHALL@MCCARTHY.CA>
Date: 3/20/17 6:10 AM (GMT-05:00)
To: Gerry Fields <gfields@cornerstonegroup.com>
Cc: Gerry Fields <gfields@cornerstonegroup.com>, Lynne Silver <lsilver@cornerstonegroup.com>, Mel Solmon <msolmon@srglegal.com>, Brett Harrison <Brett.Harrison@mcmillan.ca>, Caitlin Fell <Caitlin.Fell@mcmillan.ca>, "Lewis, Atrisha S" <alewis@mccarthy.ca>, "Thakker, Sapna" <STHAKKER@mccarthy.ca>
Subject: Re: GrowthWorks et al - Endorsement of Justice Hainey made Friday, March 17, 2017

I am not available on Wednesday afternoon but could do a call on Thursday any time after 11 am.

Geoff R. Hall

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Gerry Fields
Sent: Sunday, March 19, 2017 9:42 PM
To: Hall, Geoff R.; msolmon@srglegal.com; caitlin.fell@mcmillan.ca
Cc: Gerry Fields; Lynne Silver
Subject: GrowthWorks et al - Endorsement of Justice Hainey made Friday, March 17, 2017

Hi Geoff, Mel and Caitlin,

Attached is an additional copy of the Endorsement made by Justice Hainey on Friday, March 17, 2017.

This matter is now scheduled for Hearing in Chambers on Friday, March 31, 2017 at 10 AM with all Counsel to be in attendance. The Court has arranged for a thirty-minute appointment to determine the service issues. The March 31st date has been cleared by all parties.

Mr. Justice Hainey advised me in Chambers on Friday that the ten-day trial that was confirmed by the Commercial Court Office on March 16, 2017 to proceed on Monday, March 27, 2017 is now postponed for several months due to the lack of available Commercial List judges. I was further told by Mr. Justice Hainey that the trial will likely be re-scheduled for this summer.

Now that there is no immediate urgency with the pending trial, and now that Geoff will be back from Florida as of this Tuesday, I would like to schedule a brief four-way conference call with the three of you for this Wednesday afternoon after 3 PM or for any time this Thursday to attempt to resolve the outstanding service issues. The conference call will save significant time and further expense.

Please suggest two or three alternative times for the requested call and I will confirm the time of the call with all parties. Thank you.

Best,

Gerry

Gerry Fields, LL.B., J.D.
President and General Counsel
CORNERSTONE GROUP™
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto, Ontario
M5X 1E3

Email: gfields@cornerstonegroup.com<<mailto:gfields@cornerstonegroup.com>>
Tel.: (416) 862-8000
Fax: (416) 862-8001
Mobile: (416) 567-7000 / (917) 965-5490
Toll-Free: 1-888-COUNSEL (1-888-268-6735)

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TAB 6

ONTARIO SUPERIOR COURT PRACTICE

PRACTICE DIRECTIONS AND POLICIES

***GUIDE CONCERNING COMMERCIAL LIST E-SERVICE
EFFECTIVE JULY 1, 2014***

T. Archibald, G. Killeen, J.C. Morton

Ontario Superior Court Practice, 2017 Ed.

PRACTICE DIRECTIONS AND POLICIES

R. Guide concerning Commercial List E-Service (Effective July 1, 2014)

Part II: Service by Email

1. Electronic mail ("**Email**") will be the required mechanism to serve documents to be filed in court ("**Court Documents**") in Commercial List Proceedings. If service by Email is not practicable Court Documents may be served as provided in the Rules.
2. Court Documents are documents that must be served under the Rules with respect to motions or applications in Commercial List Proceedings such as notices of motion, notices of application, affidavits, facta, Court Officer[5] reports and orders.
3. Service by Email on the E-Service List shall be used only for the following purposes:
 - a) Service of Court Documents;
 - b) Delivery of correspondence containing information with respect to motions or applications such as the location or timing of a Commercial List Proceeding or other directions with respect to a proceeding; and
 - c) Circulation of material related to motions or applications such as draft orders.
4. Email sent to the E-Service List shall not be used in order to provide a party's general comments on the proceedings or to advocate positions or for any other use not specifically provided for herein.
5. The moving party in a Commercial List Proceeding shall seek Court adoption of the E-Service Guide in the order initiating the proceeding (or as soon as practicable thereafter). The following provision shall be included in such order unless varied by the Court:

"Substituted Service and Case Website[6]

THIS COURT ORDERS THAT the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at:

www.ontariocourts.ca/scj/practice/practice-directions/toronto/#Commercial_List) shall be valid and effective service. Subject to Rule 17.05[7] this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court

further orders that a Case Website shall be established in accordance with the Guide with the following URL '<@>'."

6. Except as otherwise provided herein, Email service is a sufficient mode of service of Court Documents without duplicating service by facsimile, hard copy delivery or other method of service.
7. Court Documents should be served by Email by way of HTML link or PDF files. If the party serving the Court Document can create an HTML link to the Court Document prior to serving the Court Document, service of such document by PDF file shall not be necessary. The HTML link must be a link directly to the document being served.[8]
8. To the extent practicable, Court Documents shall be in a format which is compliant with the Toronto Region Guide Concerning e-Delivery.
9. Where a party is serving more than one document by Email of HTML links, the Email shall specify each document being served and shall include a separate HTML link for each document being served.
10. If a Court Document is being served by way of an Email of a PDF file, the party serving the Court Document shall be cognizant of the size of the file and send the Court Document in multiple Emails if the PDF file would appear to be too large to serve in a single Email.
11. If the party serving the Court Document by Email receives notification of a transmission failure, the party serving the Court Document shall make reasonable efforts to ensure that successful Email transmission of the Court Document occurs or that the Email comes to the attention of the intended recipient or his or her firm.[9]
12. Any Court Document served by Email should clearly state in the subject line of the Email: (i) notification that a Court Document is being served; (ii) a recognizable short form name of the Commercial List Proceeding; (iii) the nature of the proceeding; and (iv) the nature of the Court Document.[10] The body of the Email should contain a description of the party serving the Court Document, a brief description of the nature of the Court Document being served, the date of the proceeding and any other specific information with respect to the proceeding such as, for example, a specific commencement time or court location if known.
13. In accordance with Rule 3.01(1)(d), a Court Document served by Email before 4:00 p.m. shall be deemed to be received that day and Court Documents served after 4:00 p.m. or at any time on a holiday shall be deemed to be received on the next day that is not a holiday.
14. Each party serving a Court Document in a Commercial List Proceeding is responsible for complying with the E-Service Guide. Nothing herein, however, is intended to change the substantive law about who is required to be served with materials in respect of any particular motion or proceeding brought within a Commercial List Proceeding.
15. Even though a Court Document has been served in accordance with this E-Service Guide, a person may show that the Court Document:
 - a) did not come to the person's notice;

- b) came to the person's notice later than when it was served or effectively served, or
- c) was incomplete or illegible.

16. Each party serving a Court Document by Email shall prepare an affidavit of service containing the particulars of the service including the E-Service List served, the Email addresses to which Court Documents were sent and the time of the Emailing. A copy of the affidavit of service shall be filed with the Court.

TAB 7

SERVICE LIST
AS OF DECEMBER 2, 2016
PREPARED BY
MCCARTHY TETRAULT LLP
COUNSEL FOR
GROWTHWORKS CANADIAN FUND LTD.
(THE “FUND”)

**mccarthy
tétrault**

McCarthy Tétrault LLP
PO Box 48, Suite 5300
Toronto-Dominion Bank Tower
Toronto ON M5K 1E6
Canada
Tel: 416-362-1812
Fax: 416-868-0673

Atrisha S. Lewis
Associate
Direct Line: (416) 601-7889
Email: alewis@mccarthy.ca

Assistant: Reimer, Melanie
Direct Line: 416-601-8200 (542538)
Email: mreimer@mccarthy.ca

December 2, 2016

Via Courier

Mr. Kevin P. McElcheran
Commercial Dispute Resolution
Oriole Advisors Ltd.
120 Adelaide St. W.
Suite 420
Toronto ON M5H 1T1

Mr. John R. Fritz
Deloitte Restructuring Inc.
2300 - 360 Main Street
Winnipeg MB R3C 3Z3

Mr. Marc Wasserman
Partner, Insolvency & Restructuring
Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Ms. Caitlin Fell
Associate
McMillan LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto ON M5J 2T3

Mr. Paul Bishop
Senior Managing Director
FTI Consulting, Inc.
TD South Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto ON M5K 1G8

Mr. Aubrey E. Kauffman
Mr. Brad Moore
Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto ON M5H 2T6

Mr. Mostafa Asadi
Senior Legal Counsel
Ontario Securities Commission - OSC
20 Queen Street West
P.O. Box 55, 22nd Floor
Toronto ON M5H 3S8

Gerry Fields, LL.B., J.D.
President and General Counsel
Cornerstone Group of Companies
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto ON M5X 1E3

Ms. Samantha G. Horn
Partner
Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto ON M5L 1B9

Office of the Superintendent of Bankruptcy
300 Georgia Street West, Suite 200
Vancouver BC V6B 6E1

Mr. Melvyn L. Solmon
Solmon Rothbart Goodman LLP
Barristers and Solicitors
Suite 701
375 University Avenue
Toronto ON M5G 2J5

Dear Counsel:

**Re: In the Matter of a Proposed Plan of Compromise or Arrangement with Respect to
GrowthWorks Canadian Fund Ltd.
Court File No.: CV-13-10279-00CL**

Enclosed is a copy of the Motion Record seeking a stay extension, served upon you pursuant to the *Rules of Civil Procedure*.

Yours sincerely,

McCarthy Tetrault LLP

Per:



Atrisha S. Lewis

ASL/mr

Encl. Motion Record

TAB 8

**SERVICE LIST
AS OF JUNE 16, 2016
PREPARED BY
MCCARTHY TETRAULT LLP
COUNSEL FOR
GROWTHWORKS CANADIAN FUND LTD.
(THE “FUND”)**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.
(the "APPLICANT")

APPLICATION UNDER THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

**SERVICE LIST
(as of June 16, 2016)**

<p>McCARTHY TÉTRAULT LLP Barristers and Solicitors Suite 5300, Box 48 Toronto Dominion Bank Tower Toronto, ON M5K 1E6</p> <p>Geoff Hall Email: ghall@mccarthy.ca Tel: 416-601-7856 Fax: (416) 868-0673</p> <p>Atrisha Lewis Email: alewis@mccarthy.ca Tel: (416) 601-7859 Fax: (416) 868-0673</p> <p>KEVIN P. McELCHERAN PROFESSIONAL CORPORATION 420-120 Adelaide St W Toronto, ON M5H 1T1</p> <p>Kevin McElcheran Email: kevin@mcelcheranadr.com Tel: (416) 855-0444</p>	<p>Counsel for Applicant</p>
<p>OSLER, HOSKIN & HARCOURT LLP Barristers and Solicitors P.O. Box 50, 100 King Street West 1 First Canadian Place</p>	<p>Co-Counsel for Monitor</p>

<p>Toronto, ON M5X 1B8</p> <p>Marc Wasserman Email: mwasserman@osler.com Tel: (416) 862-4908 Fax: (416) 862-6666</p>	
<p>McMillan LLP Brookfield Place 181 Bay Street, Suite 4400 Toronto, ON M5J 2T3</p> <p>Caitlin Fell Email: caitlin.fell@mcmillan.ca Tel: 416-865-7841 Fax: 416-865-7048</p>	<p>Co-Counsel for Monitor</p>
<p>FTI Consulting Canada Inc. TD Waterhouse Tower 79 Wellington Street West Suite 2010, P.O. Box 104 Toronto, Ontario Canada M5K 1G8</p> <p>Paul Bishop Email: paul.bishop@fticonsulting.com Tel: 416 649 8100 Fax: 416 649 8101</p>	<p>Monitor</p>
<p>FASKEN MARTINEAU DuMOULIN LLP 333 Bay Street, Suite 2400 Bay Adelaide Centre, Box 20 Toronto, ON M5H 2T6</p> <p>Aubrey E. Kauffman Email: akauffman@fasken.com Tel.: (416) 868 3538 Fax: (416) 364-7813</p> <p>Brad Moore Email: bmoore@fasken.com Tel.: (416) 865-4550 Fax: (416) 364-7813</p>	<p>Lawyers for Matrix Asset Management Inc., GrowthWorks Capital Ltd. and GrowthWorks WV Management Ltd.</p>

<p>DELOITTE RESTRUCTURING INC. 2300 – 360 Main Street Winnipeg, MB R3C 3Z3</p> <p>John R. Fritz Email: jofritz@deloitte.ca Tel: (204)942-0051 Fax: (204)947-2689</p>	<p>Deloitte Restructuring Inc. In its capacity as Monitor of The Puratone Corporation, Niverville Swine Breeders Ltd., and Pembina Valley Pigs Ltd.</p>
<p>ONTARIO SECURITIES COMMISSION Mostafa Asadi Legal Counsel, Investment Funds Branch Ontario Securities Commission 20 Queen Street West, 19th Floor Toronto, Ontario M5H 3S8 Email: masadi@osc.gov.on.ca Tel: (416) 593-8171</p>	<p>Counsel for Ontario Securities Commission</p>
<p>Gerald S. Fields Barrister and Solicitor The Exchange Tower 130 King Street West Suite 1800, P. O. Box 427 Toronto, Ontario M5X 1E3 Email: gfields@cornerstonegroup.com Tel: (416) 862-8000 Fax: (416) 862-8001</p>	<p>Counsel for Cornerstone Securities Canada Inc.</p>
<p>Office of the Superintendent of Bankruptcy 300 Georgia Street West Suite 200 Vancouver, British Columbia V6B 6E1 Email: ccaa_lacc@ic.gc.ca Tel: 1-604-666-5685 Fax: 1-604-666-4610</p>	<p>Office of the Superintendent of Bankruptcy</p>
<p>Stikeman Elliott LLP 5300 Commerce Court West 199 Bay Street Toronto ON M5L1B9</p> <p>Samantha Horn Email: sghorn@stikeman.com Tel: 416-869-5636 Fax: 416-947-0866</p>	<p>Counsel for Crimson Capital Inc.</p>

<p>SOLMON ROTHBART GOODMAN LLP 375 University Ave, Suite 701 Toronto ON M5G 2J5</p> <p>Melvyn Solmon Email: msolmon@srglegal.com Tel: (416) 947-1093 Fax: (416) 947-0079</p>	<p>Lawyers for GrowthWorks WV Management Ltd. et al.</p>
--	---

TAB 9

SERVICE LIST
AS OF FEBRUARY 18, 2015
AS IT APPEARS ON
THE MONITOR'S WEBSITE
AS OF
MARCH 27, 2017

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.
(the "APPLICANT")

**APPLICATION UNDER THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED**

**SERVICE LIST
(as of February 18, 2015)**

<p>McCARTHY TÉTRAULT LLP Barristers and Solicitors Suite 5300, Box 48 Toronto Dominion Bank Tower Toronto, ON M5K 1E6</p> <p>Jonathan Grant Email: jgrant@mccarthy.ca Tel: 416-601-7604 Fax: (416) 868-0673</p> <p>Heather L. Meredith Email: hmeredith@mccarthy.ca Tel: (416) 601-8342 Fax: (416) 868-0673</p> <p>Sharon Kour Email: skour@mccarthy.ca Tel: (416) 601-8305 Fax: (416) 868-0673</p> <p>KEVIN P. McELCHERAN PROFESSIONAL CORPORATION 420-120 Adelaide St W Toronto, ON M5H 1T1</p> <p>Kevin McElcheran Email: kevin@mcelcheranadr.com Tel: (416) 855-0444</p>	<p>Counsel for Applicant</p>
--	-------------------------------------

<p>OSLER, HOSKIN & HARCOURT LLP Barristers and Solicitors P.O. Box 50, 100 King Street West 1 First Canadian Place Toronto, ON M5X 1B8</p> <p>Marc Wasserman Email: mwasserman@osler.com Tel: (416) 862-4908 Fax: (416) 862-6666</p> <p>Caitlin Fell Email: cfell@osler.com Tel: 416.862.6690 Fax: (416) 862-6666</p>	<p>Counsel for Monitor</p>
<p>FTI Consulting Canada Inc. TD Waterhouse Tower 79 Wellington Street West Suite 2010, P.O. Box 104 Toronto, Ontario Canada M5K 1G8</p> <p>Paul Bishop Email: paul.bishop@fticonsulting.com Tel: 416 649 8100 Fax: 416 649 8101</p> <p>Jodi Porepa Email: jodi.porepa@fticonsulting.com Tel: 416.649.8070 Fax: 416.649.8101</p>	<p>Monitor</p>

<p>NORTON ROSE FULBRIGHT CANADA LLP Suite 3800 Royal Bank Plaza, South Tower 200 Bay Street P.O. Box 84 Toronto, Ontario M5J 2Z4</p> <p>Tony Reyes Email: tony.reyes@nortonrosefulbright.com Tel: 416.216.4825 Fax: 416.216.3930</p> <p>Alexander Schmitt Email: Alexander.Schmitt@nortonrosefulbright.com Tel: 416.216.2419 Fax: 416.216.3930</p>	<p>Counsel for Roseway Capital S.a.r.l</p>
<p>FASKEN MARTINEAU DuMOULIN LLP 333 Bay Street, Suite 2400 Bay Adelaide Centre, Box 20 Toronto, ON M5H 2T6</p> <p>Aubrey E. Kauffman Email: akauffman@fasken.com Tel.: (416) 868 3538 Fax: (416) 364-7813</p> <p>Brad Moore Email: bmoore@fasken.com Tel.: (416) 865-4550 Fax: (416) 364-7813</p>	<p>Lawyers for Matrix Asset Management Inc., GrowthWorks Capital Ltd. and GrowthWorks WV Management Ltd.</p>
<p>DELOITTE RESTRUCTURING INC. 2300 – 360 Main Street Winnipeg, MB R3C 3Z3</p> <p>John R. Fritz Email: jofritz@deloitte.ca Tel: (204)942-0051 Fax: (204)947-2689</p>	<p>Deloitte Restructuring Inc. In its capacity as Monitor of The Puratone Corporation, Niverville Swine Breeders Ltd., and Pembina Valley Pigs Ltd.</p>

<p>LENCZNER SLAGHT 130 Adelaide St W Suite 2600 Toronto, ON M5H 3P5</p> <p>Ronald G. Slaght Email: rslaght@litigate.com Tel: 416-865-2929</p> <p>Eli Lederman Email: elederman@litigate.com Tel: 416-865-3555</p> <p>Ian MacLeod Email: imacleod@litigate.com Tel: 416-865-2895</p> <p>Fax: 416-865-9010</p>	<p>Counsel for Allen-Vanguard Corporation (Court File No. 08-CV-43544)</p>
<p>CONWAY BAXTER WILSON LLP 1111 Prince of Wales Drive, Suite 401 Ottawa ON K2C 3T2</p> <p>Fax: 613-688-0271</p> <p>Thomas G. Conway Email: tconway@conway.pro Tel: 613-780-2011</p> <p>Christopher J. Hutchison Email: chutchison@conway.pro Tel: 613-780-2013</p> <p>Calina N. Ritchie Email: critchie@conway.pro Tel: 613-780-2014</p> <p>BENNETT JONES LLP 3400 One First Canadian Place, P.O. Box 130 Toronto, ON M5X 1A4</p> <p>Jeffrey S. Leon Email: leonj@bennettjones.com</p> <p>Derek J. Bell Email: belld@bennettjones.com</p> <p>Tel.: (416) 863-1200 Fax: (416) 863-1716</p>	<p>Counsel for RICHARD L'ABBÉ, 1062455 ONTARIO INC., AND SCHRODER VENTURE MANAGERS (CANADA) LIMITED, et al, the Defendants including Growthworks in the Allen-Vanguard action (File Court No. 08-CV-43544)</p>

<p>ONTARIO SECURITIES COMMISSION Mostafa Asadi Legal Counsel, Investment Funds Branch Ontario Securities Commission 20 Queen Street West, 19th Floor Toronto, Ontario M5H 3S8 Email: masadi@osc.gov.on.ca Tel: (416) 593-8171</p>	<p>Counsel for Ontario Securities Commission</p>
<p>Gerald S. Fields Barrister and Solicitor The Exchange Tower 130 King Street West Suite 1800, P. O. Box 427 Toronto, Ontario M5X 1E3 Email: gfields@cornerstonegroup.com Tel: (416) 862-8000 Fax: (416) 862-8001</p>	<p>Counsel for Cornerstone Securities Canada Inc.</p>

TAB 10

**MOTION RECORD SERVED ON
THE APPLICANT,
CORNERSTONE SECURITIES CANADA INC.,
BY MCCARTHY TETRUALT LLP,
COUNSEL FOR THE FUND,
RETURNABLE DECEMBER 12, 2016
AS PER THE ATTACHED SERVICE LIST
DATED JUNE 16, 2016**

G. FIELDS
416 862-8000

Court File No. CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.**

**MOTION RECORD
(Re stay extension
returnable December 12, 2016)**

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6
Fax: (416) 868-0673

Geoff R. Hall LSUC#: 347100
Tel: (416) 601-7856
E-mail: ghall@mccarthy.ca

Atrisha S. Lewis LSUC#: 64766C
Tel: (416) 601-7859
E-mail: alewis@mccarthy.ca

Lawyers for the Applicant

TO: SEE ATTACHED SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.**

**MOTION RECORD
(Re Stay extension
returnable December 12, 2016)**

INDEX

TAB DOCUMENT

1. Notice of Motion
 2. Affidavit of C. Ian Ross, sworn December 1, 2016
- Exhibit "A" – Initial Order of Justice Mesbur dated October 29, 2013
- Exhibit "B" – Claims Procedure Order of Justice McEwen dated January 4, 2014

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.

**NOTICE OF MOTION
(Re stay extension
returnable December 12, 2016)**

GrowthWorks Canadian Fund Ltd. (the "Applicant" or the "Fund") will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on December 12, 2016 at 9:30 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, in Toronto.

THE MOTION IS FOR:

- (a) an order extending the Stay Period (as defined in paragraph 14 of the initial order of the Honourable Mr. Justice Newbould dated October 1, 2013 as amended and restated on October 29, 2013 (the "Initial Order")) to June 30, 2017; and
- (b) such other relief as this Honourable Court may allow.

THE GROUNDS FOR THE MOTION ARE:

1. The Fund is a labour-sponsored venture capital fund with a portfolio of investments consisting primarily of minority equity interests in private companies.

2. On October 1, 2013, the Fund was granted protection under the *Companies' Creditors Arrangement Act* ("CCAA") and pursuant to the Initial Order a stay of proceedings was granted. Since the Initial Order was granted, the Stay Period has been extended and is currently set to expire on December 31, 2016.

3. The Fund has resolved the claim of its only secured creditor, Roseway Capital S.a.r.l. Apart from a contingent claim by Roseway secured against specific proceeds, which the Fund has not yet received, the Fund has no remaining secured claims. However, there are a number of unsecured claims against the Fund that have yet to be determined or resolved.

4. While the claims process is ongoing, the Fund is continuing to pursue an orderly liquidation of its portfolio. Because of the illiquid nature of the portfolio, the value of the Fund's assets will not be known until such time as liquidation opportunities arise.

5. Accordingly, the Fund is in need of continued protection under the CCAA to allow it to continue to wind down in an orderly manner and to complete the steps remaining in its CCAA proceedings, most significantly it is engaged in litigation within the CCAA claims process to determine of an unsecured claim by a former manager of the Fund.

6. The Fund has taken a number of steps to reduce its costs while the CCAA proceedings are ongoing. It continues to act in good faith and with due diligence. The court-appointed monitor, FTI Consulting Canada Inc. (the "Monitor"), expects the Fund to have sufficient liquidity to operate through to the end of the Stay Period.

7. Accordingly, the Fund seeks an order extending the Stay Period to June 30, 2017.

8. The Fund relies upon the following:

- (a) Section 11.02 and other provisions of the CCAA and the inherent and equitable jurisdiction of this Court;
- (b) Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (c) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. Affidavit of C. Ian Ross sworn December 1, 2016;
2. The report of the Monitor to be filed; and
3. Such further and other materials as counsel may advise and this Court may permit.

December 2, 2016

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6
Fax: (416) 868-0673

Geoff R. Hall LSUC#: 347100
Tel: (416) 601-7856
E-mail: ghall@mccarthy.ca

Atrisha S. Lewis LSUC#: 64766C
Tel: (416) 601-7859
E-mail: alewis@mccarthy.ca

Lawyers for the Applicant

TO: THE ATTACHED SERVICE LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.
C-36, AS AMENDED AND IN THE MATTER OF GROWTHWORKS CANADIAN FUND
LTD.

Court File No: CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(RETURNABLE DECEMBER 12, 2016)**

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6
Fax: (416) 868-0673

Geoff R. Hall LSUC#: 347100
Tel: (416) 601-7856
E-mail: ghall@mccarthy.ca

Atrisha S. Lewis LSUC#: 64766C
Tel: (416) 601-7859
E-mail: alewis@mccarthy.ca

Lawyers for the Applicant

14428862

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.
C-36, AS AMENDED AND IN THE MATTER OF GROWTHWORKS CANADIAN FUND
LTD.

Court File No.: CV-13-1027-900CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD
(RETURNABLE DECEMBER 12, 2016)**

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto, ON M5K 1E6
Fax: (416) 868-0673

Geoff R. Hall LSUC#: 347100
Tel: (416) 601-7856
E-mail: ghall@mccarthy.ca

Atrisha S. Lewis LSUC#: 64766C
Tel: (416) 601-7859
E-mail: alewis@mccarthy.ca

Lawyers for the Applicant

DOCS 16153281

TAB 11

**COUNSEL SLIP
AND
ENDORSEMENT OF JUSTICE NEWBOULD
MADE
DECEMBER 12, 2016**

COUNSEL SLIP

9.30 AM

COURT FILE NO CV-13-010279-CL

DATE Dec 12, 2016

NO ON LIST (1)

TITLE OF PROCEEDING

GROWTHWORKS CANADIAN FUND LTD.

COUNSEL FOR: PLAINTIFF(S)
APPLICANT(S)
PETITIONER(S)

Goeff R. Hall and Atrisha Lewis for GrowthWorks
Canadian Fund Ltd.

PHONE & FAX NOS
416 601-7858 tel
416 868-0673 fax
ghall@mcCarthy.ca
also attending

Jonathan Grant (corporate counsel) and Ian Ross (interim CEO)

COUNSEL FOR: DEFENDANT(S)
RESPONDENT(S)

No. 14 O.W LIST.

PHONE & FAX NOS

GERALD FIELDS FOR

TEL: 416 862-8000
FAX: 416 862-8001

CORNERSTONE SECURITIES CANADA INC.

Brett Harrison
for the Monitor (FTT)

T: 416 865-7932
F: 416 865-248

Meloyne L. Salmon
For Former Manager

416 947-1093
416 947-0579

December 12/16

7 day trial scheduled for March 27/17.

Mr. Salmon may wish counsel with questions
he has relating to the evidence of Mr. Ross
& Mr. Gebiere. There is to be an examination
of these witnesses before the trial.

J. Hall

TAB 12

**ORDER OF JUSTICE NEWBOULD
MADE
DECEMBER 12, 2016**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1875, C.c-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.

THE HONOURABLE

)

FRIDAY, THE 12th

MR. JUSTICE NEWBOULD

)

DAY OF DECEMBER, 2016

BETWEEN:

(Court Seal)

GROWTHWORKS WV MANAGEMENT LTD.

Plaintiff

and

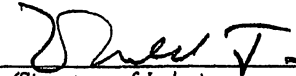
GROWTHWORKS CANADIAN FUND LTD.

Defendant

ORDER

THIS MOTION, made this day unto the Court and on the consent of the parties, for the
written Endorsement dated December 12, 2016.

1. THIS COURT ORDERS that the Amended Reply and Defence to Counterclaim may be issued and filed in the Commercial List for the above style of action.


(Signature of Judge)

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 20 2016

PER / PAR: 

TAB 13

**COPY OF AMENDED REPLY AND DEFENCE
TO COUNTERCLAIM OF
GROWTHWORKS WV MANAGEMENT LTD.
FILED DECEMBER 20, 2016**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
GROWTHWORKS CANADIAN FUND LTD.

BETWEEN:

GROWTHWORKS WV MANAGEMENT LTD.

Plaintiff

- and -

GROWTHWORKS CANADIAN FUND LTD.

Defendant

AMENDED REPLY AND DEFENCE TO COUNTERCLAIM

REPLY

1. Unless hereinafter admitted, the Plaintiff GrowthWorks WV Management Ltd. (the "Manager") denies all allegations contained in the Statement of Defence of the defendant GrowthWorks Canadian Fund Ltd. (the "Fund").
2. The Manager specifically denies that it has breached the Amended and Restated Management Agreement dated July 15, 2006 (the "Management Agreement"). Many of the Manager's alleged breaches, even if true, would not amount to material breaches sufficient to trigger the immediate termination of the Agreement under s. 8.3(a). The Fund wrongfully terminated the Management Agreement and the Manager is entitled to damages.
3. The Manager relies on the following facts in reply to the Fund's Statement of Defence and in addition to the facts set out in the Statement of Claim.

The Decision to Enter Into the Financings

4. In or around 2008 and 2009, the Fund began experiencing liquidity issues as the venture capital market stalled and as sales of Class A Shares declined.

5. In this environment, the Manager reviewed various options with the Fund's Board of Directors (the "**Board**") to address the Fund's liquidity situation. After considering all options, including the possibility of winding down the Fund, the Board and the Manager ultimately decided to borrow funds from various third parties in an effort to preserve the Fund's liquidity (the "**Financings**").

6. Outside of ordinary course investment and divestment activity, every course of action and every Financing pursued by the Manager was reviewed and approved by the Board with independent legal advice from counsel.

7. The Manager's recommendation that the Fund enter into the Financings was in the best interest of the Fund. The Fund was obligated to participate in rounds of follow-on financing with its portfolio companies, lest it incur significant dilution or face penalties. Entering into the Financings would not only allow the Fund to participate in these follow-on financings with its portfolio companies, it would also but the time needed for the Fund to enter into more orderly, full-value exits that were not available at the time.

8. In contrast to the Financings, a quick wind-down of the Fund was both difficult to achieve and financially undesirable. As a minority shareholder in almost all its investees, the Fund lacked control over its portfolio companies' exits. Had the Fund's investments been sold off over a nine-month period, the Fund's assets would have been sold at a 54.8% discount, generating \$117.5 million in losses to the Fund's shareholders and eliminating substantially all of the value potential in the Fund's portfolio.

9. Entering into the Financings was therefore essential to preserving value and value potential in the Fund's portfolio. It was consistent with the Fund's objectives of generating liquidity and achieving long-term capital appreciation. An independent external advisor, engaged by the Board, confirmed that an orderly sale of the Fund's portfolio assets was preferable to a liquidation-style wind-down.

10. While entering into the Financings, the Manager, with the Board's approval, also pursued opportunities to sell the Fund's portfolio assets to generate liquidity. Specifically, the Manager categorized portfolio holdings on the basis of value potential with an objective of managing the Fund's liquidity so as to realize as much of that value potential as possible.

11. The Manager denies that it entered into the Financings and maintained the Fund in order to allow the Manager to continue to earn fees. There was no prospect of the Manager, its sister funds, or its parent company profiting from the Financings. The Fund paid no interest on its management and administration fees to the Manager. The Manager was also willing to charge its own assets and to provide a guarantee for third party financing in order to support the Fund's liquidity.

Representations to Securities Regulators

12. The Fund's allegation that the Manager did not meet the standard of care, did not act in the Fund's best interest, and preferred its own interests when it failed to consider all scenarios for dealing with the Fund's liquidity situation before entering into the Financings, is fundamentally inconsistent with the Fund's position at the time that the Financings were being considered in 2009. It is also fundamentally inconsistent with the Fund's own representations to various securities regulators in 2012.

13. In a letter to the Ontario Securities Commission (the "OSC") dated June 21, 2012, the Chair of the Board, Ian Ross ("Ross"), represented to the OSC that, before entering into the GrowthPoint financing, the Board had considered the wind-down option and had obtained independent legal advice on the GrowthPoint loan. Ross specifically noted that "throughout its review of these matters, the Board exercised its reasonable business judgment, free from conflict and on an informed basis, and determined that the financing was in the best interests of the Fund".

14. Similarly, Ross represented to the British Columbia Securities Commission (the "BCSC") on July 11, 2012, that the Board "regularly reviews the strategic direction of the Fund, including whether a block sale of all or a portion of its investment portfolio would be in the best interests of the Fund" and continues to wish to "avoid a 'fire sale' of the Fund's assets at heavily

discounted prices, as it does not believe that that course of action would be in the best interest of the Fund's shareholders".

15. Additionally, on July 19, 2012 the Board's independent counsel McCarthy Tetrault ("**McCarthy**") advised the BCSC that "in [the Board's] view, the actions of the Board to date have been entirely consistent with the goal of managing the Fund in a manner that seeks to balance the maximization of the value of the Fund's assets for the benefit of the Fund's shareholders and the return of capital to the Fund's shareholders as expeditiously as possible".

Dealings with the BCSC

Compliance Field Examination Results

16. In early 2013, the Manager underwent a compliance field examination conducted by the BCSC. The compliance field examination is the main tool that the BCSC uses to monitor firms that trade or advise in securities in British Columbia. All registered firms must undergo a compliance field examination, usually every three to four years.

17. On April 16 and 30, 2013, the BCSC sent two letters to the Manager describing the results of the BCSC's most recent compliance field examination. The BCSC identified nine deficiencies in the Manager's conduct as a portfolio and investment fund manager with respect to the Fund and its sister fund, the Working Opportunity Fund.

18. There are five possible outcomes of a compliance field examination. In order of favourability, these outcomes include a "No Further Action" letter; a deficiency letter; conditions of registration or a settlement agreement; an enforcement referral; or a suspension of registration. A deficiency letter is the second most favourable outcome of a compliance field examination.

19. On May 15, 2013, the Manager responded to the BCSC's allegations. The Manager vigorously denied and refuted the BCSC's allegations, thoroughly setting out the facts mentioned above. The Manager maintained that it was at all times compliant with securities law and with the Manager's own Policies and Procedures Manual.

20. To date, approximately two years later, the BCSC has not taken any steps beyond issuing the deficiency letters described above.

Working Capital Requirements

21. On May 9, 2013, the BCSC advised the Manager that the Fund's regulatory (or "working") capital had been deficient since at least December 31, 2012.

22. On May 13, 2013, the Manager responded to the BCSC's allegations. The Manager explained its situation and described its plans to restore the Fund's working capital.

23. On August 16, 2013, the BCSC notified the Manager that it was imposing working capital conditions on the Manager. The letter explicitly states that the proposed conditions are "not intended as sanctions for past conduct.

24. On August 21, 2013, the BCSC imposed various conditions and undertakings on the Manager. As part of its undertakings, the Manager informed the Board the next day, on August 22, 2013, about the conditions that the BCSC was imposing on it.

25. At no time after August 22, 2013 or before the Fund purported to terminate the Management Agreement on September 30, 2013 did the Fund give written notice to the Manager that it considered these conditions to be a material breach of the Management Agreement. In fact, the Manager resolved the Fund's working capital deficiency, to the Fund's knowledge, before the Fund purported to terminate the Management Agreement.

26. To date, date, approximately two years later, the BCSC has not taken any steps beyond the imposition of the conditions and undertakings described above

27. By responding to the BCSC's initial allegations, by producing a written plan to address any working capital deficiencies, and by complying with the BCSC's working capital conditions, the Manager complied with section 3.4 of the Management Agreement and met the requisite standard of care.

Dealings with Roseway

The Roseway Transaction and the Cytochroma Follow-on Investment

28. The Fund's first Financing was a transaction with Roseway Capital L.P., a limited partnership based in Edinburgh, Scotland.
29. On May 28, 2010, the Manager and Roseway Capital L.P. entered into a participation agreement (the "**Participation Agreement**"), under which:
- (a) Roseway Capital L.P. invested \$20 million in the Fund. In return, Roseway Capital L.P. was entitled to participate in follow-on financings in a number of defined portfolio companies (the "**Defined Portfolio Companies**");
 - (b) The Fund would notify Roseway Capital L.P. if the Fund intended to complete a financing in a Defined Portfolio Company. Roseway Capital L.P. would then notify the Fund as to whether it would make an indirect investment or a direct investment in the Defined Portfolio Company, or not participate at all; and
 - (c) Roseway Capital L.P. would receive 100% of the proceeds from any indirect investment that it made in the Fund's Defined Portfolio Companies in any follow-on financing.
30. Roseway Capital L.P. later assigned all its rights and obligations under the Participation Agreement to Roseway Capital S.a.r.l. ("Roseway").
31. In January 2012, one Defined Portfolio Company, Cytochroma, announced that it was having a round of follow-on financing.
32. To avoid dilutive impacts, the Fund was required to participate in the Cytochroma follow-on financing. However, the Fund's liquidity situation at the time prevented the Fund from doing so.

33. Cytochroma allowed another fund managed by the Manager, the Commercialization Fund, to purchase the Cytochroma shares in lieu of the Fund. This allocation decision was approved on January 17, 2012 by the Independent Review Committees of the boards of both the Commercialization Fund and the Fund. At the time of the Cytochroma transaction, the board of the Commercialization Fund and the Board of the Fund were identical.

34. After the Commercialization Fund purchased \$1,257,750 of Cytochroma shares in the follow-on financing, Roseway announced that it wished to participate in the financing as well. Roseway wired \$176,085 to the Fund.

35. Roseway wanted its \$176,085 investment to be made directly into Cytochroma. However, Roseway's investment could only be made as an indirect investment through the Commercialization Fund.

36. Under this arrangement, 100% of the purchased Cytochroma shares were registered in the Commercialization Fund's name, and 14% of the shares were recognized as an "interfund payable" from the Commercialization Fund to the Fund and earmarked as belonging to Roseway.

37. Roseway then sent to the Fund an undated Acknowledgement and Receipt, which Joseph Regan, an officer of the Manager, signed on March 29, 2011. The Acknowledgement and Receipt states that:

- (a) Roseway wished to invest \$176,085 in the Cytochroma follow-on financing;
- (b) Roseway is not able to invest in the Cytochroma follow-on financing directly; and
- (c) The parties acknowledge that Roseway would be entitled to 100% of the proceeds from Roseway's share of securities in Cytochroma.

38. The Acknowledgment and Receipt merely confirms the Manager and Roseway's existing arrangement under the Participation Agreement.

39. In a June 4, 2013 memo from the Manager to the Commercialization Fund board, the Manager acknowledged that its accounting team had made a *de minimis* reporting error in its books by not showing the 14% interfund payable of the Cytochroma securities from the Commercialization Fund to the Fund (earmarked for Roseway). Therefore, the accounting

team did not establish the appropriate liability in its records from the Commercialization Fund to the Fund. However, there were no losses incurred by either fund, Roseway, or any shareholder in reliance on the mistake, and the Manager promptly corrected the error.

40. Contrary to the Fund's allegations in the Statement of Defence and Counterclaim, the Cytochroma shares were always intended to be allocated to the Commercialization Fund, rather than to the Fund. Roseway was also always entitled to receive 100% of the proceeds from its indirect investment in Cytochroma under the Participation Agreement. These decisions were made with the knowledge and approval of the Board, which as stated above was identical for the Fund and the Commercialization Fund. Therefore, the Manager did not breach the Management Agreement in allocating the Cytochroma securities to the Commercialization Fund or in signing the Acknowledgement and Receipt.

41. The Manager continues to manage the Commercialization Fund to this day.

Accounting Dispute

42. In or around January 2013, Roseway's auditor, PriceWaterhouseCoopers ("PWC"), examined the Fund's prior transactions with the Defined Portfolio Companies. In reconciling participating interest payments owed by the Fund to Roseway under the Participation Agreement, PWC allegedly identified a number of discrepancies by the Manager in its record-keeping and in its calculations of payments owed to Roseway.

43. The Manager denies that it has made any errors in calculating the amounts owing to Roseway under the Participation Agreement. The current dispute between the Fund and Roseway relates to how many Class D Preferred Share warrants (the "Old Money Warrants") should be allocated to Roseway.

44. Cytochroma offered additional Old Money Warrants to incentivize its existing shareholders to participate in the Cytochroma follow-on financing. Consequently, the Fund received \$15,877,219 Old Money Warrants for participating in the follow-on financing (although it was the Commercialization Fund that legally made the investment). In December 2012, the Fund sold 50% of its Old Money Warrants, valued at \$1 million at the time of sale, to Newbury Equity Partners in a secondary transaction.

45. The Manager's position is that the Old Money Warrants were issued only to *all existing investors* who had participated in the Cytochroma follow-on financing. For this reason, the warrants were issued to the Fund, but not to the Commercialization Fund. Roseway was not an existing shareholder at the time of the follow-on financing, so it was not entitled to any Old Money Warrants. The Fund was entitled to 100% of the Old Money Warrants and had full rights to divest or otherwise deal with some or all of the Old Money Warrants at any time. Roseway claims that the Old Money Warrants should have been allocated proportionately to *all investors* participating in the Cytochroma follow-on financing, and therefore Roseway's share of the Old Money Warrants should have been 14%.

46. As a result of the foregoing disagreement, the Manager believes that the Fund owes Roseway nothing, and Roseway believes that the Fund owes Roseway \$1,948,331.

47. The dispute between the Fund and Roseway arises not out of the Manager's negligence in accounting or record-keeping but out of a *bona fide* disagreement over which investors were entitled to Old Money Warrants. This does not constitute a breach of the Management Agreement. On the contrary, the Manager brought more money to the Fund by deciding to allocate all the Old Money Warrants to the Fund.

Tax Analysis

48. The Fund's allegation that the Manager did not arrange for a tax analysis prior to the sale of Cytochroma in January 2013 is false. The Manager received a tax analysis and opinion from legal counsel to the transaction, Aird & Berlis LLP, in January 2012.

49. In reviewing Aird & Berlis's tax analysis before the Cytochroma sale and in understanding the tax implications of the sale, the Manager met the requisite standard of care in performing its duties.

Additional Care

50. Any additional costs or expenses incurred by the Fund in relation to Roseway are of the Fund's own making. In March 2012, the Manager presented to the Board a repayment plan to repay Roseway. The proposed repayment plan would have allowed the Fund to

maintain a reasonable cash balance through the end of 2013, by which time the Roseway obligation would have been repaid in full. The Board rejected this plan.

Legal and Accounting Fees

51. In addressing the Fund's liquidity problems, the Manager used the Fund's money to pay various legal and accounting expenses in fiscal years 2011, 2012, and 2013. These expenses totalled approximately \$2.3 million.

52. The The Fund was required to pay these expenses under ss. 6.1 and 6.2 of the Management Agreement, which provide in part as follows:

6.1 The Manager shall pay all normal operating expenses of the Fund incurred in providing the Services, including without limitation (b) audit and legal fees.... (j) fees payable to regulatory authorities with respect to annual corporate filings and the offering of Class A Shares...

6.2 Notwithstanding Section 6.1, the Fund shall be responsible for any expenses or charges incurred in respect of the following:... (f) any unusual or extraordinary expenses incurred by the Fund outside the normal scope of the Services such as, for illustrative purposes: expenses incurred as a result of litigation or arbitration... [emphasis added]

53. The Manager made its expense allocations appropriately in accordance with the Management Agreement. When the Management Agreement was formed, the Fund was an evergreen fund with no liquidity issues or need for leverage. Accordingly, any subsequent expenditures related to leverage, including professional fees and the costs of leverage, were unusual expenditures.

54. The Board was routinely kept informed about the Manager's decisions to allocate these costs to the Fund. In addition, the Manager's cost allocations were independently audited by KPMG as auditor of the Fund and by Deloitte as auditor of the Manager. At no point were these cost allocations raised as an issue by these auditors to their respective audit committees in 2011, 2012, or 2013.

55. Further and in the alternative, any dispute over the allocation of these legal and accounting expenses should have been brought before an arbitrator, as required by s. 10.5 of the

Management Agreement. To date, the Fund has not brought its dispute over the Manager's cost allocation to binding arbitration.

Involvement of CCC Investment Banking

56. In 2013, the Fund retained an independent financial advisor, CCC Investment Banking ("CCC"), to advise a special committee of the Board ("**Special Committee**") on the Fund's liquidity issues.

57. In April 2013, CCC presented a report (the "**Strategic Options Report**") to the Special Committee. The Strategic Options Report outlined a multi-pronged approach to resolve the Fund's liquidity issues. Options considered included refinancing, renegotiating existing loans, liquidating the Fund's assets (whether *en masse*, by industry, or through orderly exits), merging with another fund, converting to a closed-end investment fund, and seeking creditor protection. The Strategic Options Report concluded that the Fund should continue to pursue refinancings in the short term, as the Manager had recommended, while seeking to merge with another fund in the mid-term.

58. On September 26, 2013, four days before the Fund purported to terminate the Management Agreement, CCC sent an engagement letter to the Board. In its letter, CCC offered to provide financial advisory services to the Fund with respect to a potential merger transaction with a potential merger partner (the "**Potential Merger Partner**").

Termination of the Management Agreement and CCAA Proceedings

59. On September 30, 2013, the Fund purported to terminate the Management Agreement. The Fund gave written notice that the Manager was in material breach of the Management Agreement and that, because the breaches were not capable of being remedied, termination was effective immediately.

60. That same day, the Fund entered into a confidential letter agreement with the Potential Merger Partner, whereby the Potential Merger Partner was prepared to immediately assume a role as a transition manager to the Fund to accrue all manager fees while in the transition role.

Filing for CCAA Protection

61. On September 30, 2013, the same day that the Fund purported to terminate the Management Agreement, the Fund commenced proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA"). The Fund sought a stay of proceedings in order to allow it to continue discussions with the Potential Merger Partner and to explore other options while being protected from its creditors under the CCAA.

62. In addition, the Fund sought an order declaring the Manager to be a critical supplier.

63. On October 1, 2013, this court granted CCAA protection to the Manager and adjourned the application to have the Manager declared as a critical supplier. FTI Consulting Canada Inc. was appointed as monitor of the Fund ("**Monitor**").

Critical Services Provider

64. Section 8 of the Management Agreement requires the Manager to provide transition services (the "**Transition Services**") to the Fund after the termination of the Management Agreement. The Transition Services include delivering the Fund's records to the Fund and providing the necessary services to the Fund to facilitate an orderly transition to the successor manager.

65. On October 15, 2013, the Manager and the Fund entered into an agreement regarding the provision of certain transition services (the "Critical Transition Services Agreement", or "**CTSA**"). Under the CTSA, the Manager was required, among other transition services, to help with the Fund's ongoing audit and valuation for fiscal year 2013; to provide the Fund with copies of agreements or documents relating to any third party vendors used or retained by the Manager in relation to the services provided, to attend certain meetings, and to respond to any reasonable requests by the Fund for information.

66. On October 29, 2013, this court approved the CTSA and declared the Manager to be a critical supplier for the purposes of s. 11.4 of the *CCAA*.

Post CCAA Events

Fund Records

67. As part of its Transition Services, the Manager was required to deliver to the Fund "all records, including electronic records or data in a form accessible to the Fund, of or relating to the affairs of the Fund in the possession of the Manager" (the "**Fund Records**").

68. Contrary to the Fund's allegation in its Statement of Defence and Counterclaim, the Manager has responded to all requests for information from the Monitor and the Fund since September 30, 2013 and has delivered substantially all of the Fund Records and other information to the Fund.

69. In particular:

- (a) **October 2013:** On October 2, 2013, the Monitor contacted the Manager regarding the Fund's original request for documents and information, as set out in the termination letter. After consulting extensively with the Monitor, the Manager delivered all requested documents and records to the Monitor. These records included a current list of the Fund's shareholders (the "**Fund Shareholder List**"). On November 21, 2013, the Monitor acknowledged that all the requested records were received.
- (b) **June 2014:** The Fund and the Monitor received access to the Manager's Iron Mountain storage facility in Toronto, which contains all of the Fund's investment files, including all records relating to any investment held by the Fund in any portfolio company; all tax records; and all contracts and related agreements involving the Fund and relating to the Fund's investments. The Monitor also requested a copy of the Fund's general ledger file, and the Manager complied.
- (c) **August 2014:** The Monitor requested all Fund Records from the Manager's Vancouver office. The last shipment was delivered in August 2014.

Additionally, copies of all outstanding requests for redemption of Class A shares were delivered to the Fund.

- (d) **October 2014:** On October 16, 2014, the Fund demanded the delivery of nine categories of documents from the Manager. Although the Manager had already delivered to the Fund, Monitor, and/or the Fund's auditors copies of the relevant accounting and other data files relating to the Fund, the Manager offered to make another copy of the files. The documents were received by the Fund on November 11, 2014.

70. Between September 30, 2013 and October 16, 2014, the Fund never once directly requested documents from the Manager. At no time during this period did the Fund advise the Manager that its delivery of the Fund Records was incomplete or unsatisfactory.

71. The Monitor has filed 11 reports in the Fund's CCAA proceedings. Until the 11th report, dated October 17, 2014, the Monitor had no problems to report with respect to the Manager's delivery of the Fund Records.

72. With the sole exception of the Fund Shareholder File, all of the Fund Records in the Manager's possession or control have been delivered or made accessible to the Fund and to the Monitor.

73. The Fund alleges that the Manager has not delivered the Fund Shareholder List in a form that is accessible by the Fund. This issue arises because the Fund Shareholder List is in a format that is compatible only with software that the Manager, but not the Fund, has a license to use. After delivering the Fund Shareholder List to the Fund, the Manager alerted the Fund to a potential solution to the Fund's access problem. However, to date, the Fund has not accepted the Manager's proposed solution.

Yearly RRSO Services

74. As part of its services and Transition Services to the Fund, the Manager had engaged Concentra to perform certain administrative services with respect to a number of shareholder RRSP accounts. Over 36,000 of the Fund's shareholders had their units held in

RRSP accounts registered with Concentra, who acts as the trustee of these shareholders' RRSP group.

75. The administrative services provided by Concentra were critical. Concentra administered the Fund's shares held in registered RRSP accounts to maintain their status with the Canada Revenue Agency. Had the Manager terminated Concentra's engagement, these shareholders' RRSP accounts would have been deregistered, and the affected shareholders would have been subject to the significant negative tax consequences of a forced RRSP withdrawal.

76. As of mid-November 2014, Concentra had billed the Manager a total of \$117,220. The Fund owes \$94,781.29 to the Manager, based on the number of Fund shareholders having RRSP accounts with Concentra. This amount remains unpaid and owing by the Fund to the Manager.

77. To date, the Fund has refused to reimburse the Manager for the costs of those services, despite continuing to retain Concentra as RRSP trustee for the Fund's shareholders and despite Concentra continuing to perform services for the Fund.

DEFENCE TO COUNTERCLAIM

78. The Manager denies all allegations contained in the Counterclaim including, without limiting the generality of the foregoing, paragraphs 94 through 96.

79. The Manager repeats and relies on the allegations contained in its Statement of Claim and the Reply herein.

80. The Manager pleads and relies upon the *Limitation Act 2002*, S.O. 2002, Ch. 24, Schedule B.

~~April 17, 2015~~ October 19, 2016

SOLMON ROTHBART GOODMAN LLP

Barristers

375 University Avenue

Suite 701

Toronto, Ontario

M5G 2J5

Melvyn L. Solmon (LSUC# 16156J)

msolmon@srglegal.com

Tel: 416-947-1093 (Ext. 333)

Fax: 416-947-0079

Lawyers for Growthworks WV Management
Ltd.

TO: **MCCARTHY, TÉTRAULT LLP**
Barristers and Solicitors
TD Bank Tower
66 Wellington Street West
Suite 5300
Toronto, Ontario
M5K 1E6

Geoff Hall
ghall@mccarthy.ca
Tel: 416-315-6423
Fax: 416-868-0673

Lawyers for GrowthWorks Canadian Fund Ltd.

GROWTHWORKS WV MANAGEMENT LTD.
Plaintiff

-and- GROWTHWORKS CANADIAN FUND LTD.
Defendant

Court File No. CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**AMENDED REPLY AND DEFENCE TO
COUNTERCLAIM**

SOLMON ROTHBART GOODMAN LLP

Barristers

375 University Avenue

Suite 701

Toronto, Ontario

M5G 2J5

Melvyn L. Solmon (LSUC# 16156J)

msolmon@srglegal.com

Tel: 416-947-1093 (Ext. 333)

Fax: 416-947-0079

Lawyers for Growthworks WV Management Ltd.

File Number: 17529

RCP-E 4D (July 1, 2007)

GROWTHWORKS WV MANAGEMENT LTD.
Plaintiff

-and- GROWTHWORKS CANADIAN FUND LTD.
Defendant

Court File No. CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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TORONTO

ORDER

SOLMON ROTHBART GOODMAN LLP

Barristers
375 University Avenue
Suite 701
Toronto, Ontario
M5G 2J5

Melvyn L. Solmon (LSUC# 16156J)

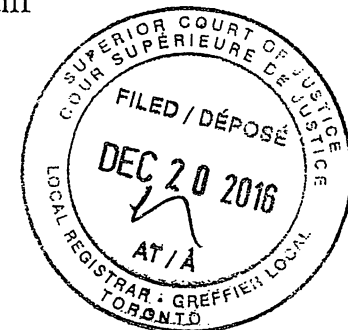
msolmon@srglegal.com

Tel: 416-947-1093 (Ext. 333)

Fax: 416-947-0079

Lawyer for the Plaintiff

File Number: 17529



TAB 14

**COPY OF STATUS UPDATE FOR THE FUND
AS IT APPEARS ON THE MONITOR'S SITE
AS OF
MARCH 27, 2017
LAST ENTRY WAS DECEMBER 12, 2016**



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GrowthWorks Canadian Fund Ltd - Status Updates

Stay Extension - December 12, 2016

On December 12, 2016 Growthworks Canadian Fund Ltd. obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the Companies' Creditors Arrangement Act until and including June 30, 2017.

Stay Extension - June 15, 2016

On June 15, 2016 Growthworks Canadian Fund Ltd. obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the Companies' Creditors Arrangement Act until and including December 31, 2016.

Stay Extension - December 14, 2015

On December 14, 2015 Growthworks Canadian Fund Ltd. obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the Companies' Creditors Arrangement Act until and including June 30, 2016.

Stay Extension - May 26, 2015

On May 26, 2015 Growthworks Canadian Fund Ltd. obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the Companies' Creditors Arrangement Act until and including December 15, 2015.

Stay Extension - October 21, 2014

On October 21, 2014 Growthworks Canadian Fund Ltd. obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the Companies' Creditors Arrangement Act until and including May 31, 2015.

Stay Extension - May 14, 2014

On May 14, 2014 Growthworks Canadian Fund Ltd. obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the

Contact FTI

FTI Consulting
 TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto, Ontario M5K 1G8

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 Limited
 The Canadian Fund Limited

Companies' Creditors Arrangement Act until and including November 30, 2014.

Stay Extension - May 2, 2014

On May 2, 2014 Growthworks Canadian Fund Ltd. obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the Companies' Creditors Arrangement Act until May 16, 2014.

Stay Extension - April 8, 2014

On April 8, 2014 Growthworks Canadian Fund Ltd. obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the Companies' Creditors Arrangement Act until May 9, 2014.

Stay Extension - March 6, 2014

On March 6, 2014 GrowthWorks Canadian Fund obtained an order from the Ontario Superior Court of Justice (Commercial List) extending the period of the Court-ordered stay of proceedings against Growthworks Canadian Fund Ltd. under the Companies' Creditors Arrangement Act until April 10, 2014.

Annual General Meeting of Shareholders - February 28, 2014

On February 26, 2014, pursuant to a Motion Record of the Applicant Returnable February 28, 2014, Growthworks Canadian Fund Ltd. is seeking to extend the time for the next Annual General Meeting of its shareholders to a date on or before October 31, 2014.

Claims Procedure - January 9, 2014

Pursuant to an Order granted by the Court on January 9, 2014, the Court approved a Claims Procedure Order. The Claims Bar Date is: March 6, 2014. The Claims Procedure Order will allow the Fund to solicit and determine all Claims, D&O Claims and D&O Indemnity Claims, except Excluded Claims.

Sales Process - November 18, 2013

Pursuant to an Order granted by the Court on November 18, 2013, the Court approved a sales and investor solicitation process ("SISP"). Phase II of the SISP commenced on December 20, 2013. In accordance with the terms of SISP, Qualified Bidders are required to deliver a final bidding Proposal to CCC by February 3, 2014.

Initial Order - October 1, 2013

On October 1, 2013, GrowthWorks Canadian Fund Ltd ("the Fund") sought and obtained an Initial Order (the "Initial Order") under the Companies' Creditors Arrangement Act ("the CCAA") from the Ontario Superior Court of Justice. The Applicants sought and were granted the stay of proceedings and other relief

provided under the CCAA. Pursuant to the Initial Order, FTI Consulting ("FTI" or the "Monitor") has been appointed Monitor.

TAB 15

**COPY OF MOTION MATERIALS FOR THE FUND
AS IT APPEARS ON THE MONITOR'S SITE
AS OF
MARCH 27, 2017
LAST ENTRY WAS DECEMBER 12, 2016 –
ERRONEOUSLY SET OUT AS DECEMBER 12, 2015**



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GrowthWorks Canadian Fund Ltd - Motion Materials

The following motion materials have been filed in the proceedings:



















 Motion Record (Re stay extension returnable December 12, 2016)	December 12, 2015
 Motion of Record (returnable December 14, 2015)	December 8, 2015
 Book of Authorities	October 26, 2015
 Factum of Roseway Capital S.A.R.L. (returnable November 4, 2015)	October 26, 2015
 Responding Motion Record (returnable November 4, 2015)	October 9, 2015
 Motion Record (returnable November 4, 2015)	October 2, 2015
 Factum of Roseway Capital S.A.R.L. (returnable September 4, 2015)	September 2, 2015
 Factum of Growthworks Canadian Fund Ltd	September 2, 2015
 Motion Record of Roseway Capital S.A.R.L.	August 31, 2015
 Affidavit of Michael Forer (Sworn August 28, 2015)	August 28, 2015
 Growthworks Supplemental Affidavit of Ian Ross	June 5, 2015

Contact FTI














FTI Consulting
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
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 Factum of the Applicant(Returnable June 8 2015)	2015
 Book of Authorities	February 26, 2015
 Factum of the Applicant, returnable March 3, 2015.	February 26, 2015
Motion Record of Growthworks Canadian Fund Ltd. re Allen Vanguard Litigation returnable January 20, 2015	January 19, 2015
 Part 1- Including the Affidavit of Paul Echenberg	
 Part 2	
 Responding Motion Record, returnable February 17, 2015.	January 9, 2015
 Motion Record - Advanced Glazing Approval and Vesting Order, returnable December 18, 2014.	November 20, 2014
Motion Record of the Applicant	December 15, 2014
 Motion Record of the Applicant - Part 1	
 Motion Record of the Applicant - Part 2	
 Motion Record of the Applicant - Part 3	
 Motion Record of the Applicant - Part 4	
 Motion Record of the Applicant - Part 5	
 Motion Record of the Applicant - Part 6	
 Responding and Cross Motion Record of Growthworks WV Management Ltd and Growthworks Capital Ltd.	November 20, 2014
 Motion Record of the Applicant seeking approval of the proposed Production Order (motion returnable November 27, 2014),	October 31, 2014
 Brief of Authorities (Motion Returnable October 21, 2014)	October 17, 2014
 Factum of the Applicant (Returnable October 21, 2014) (Motion to Extend Stay and Deadline for AGM)	October 17, 2014
 Motion Record (Extension of Stay and Deadline	October 15, 2014


for AGM- Returnable October 21, 2014)


 Motion Record of FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor (Returnable May 14, 2014)	May 9, 2014
 Motion Record of the Applicant (Stay Extension Motion returnable Friday, May 14, 2014)	May 9, 2014
 Motion Record of the Applicant (Stay Extension Motion returnable Friday, May 2, 2014)	April 29, 2014
 The Factum the Offeree Shareholders (Stay Extension Motion returnable April 8, 2014)	April 7, 2014
 The Book of Authorities of the Offeree Shareholders (Stay Extension Motion returnable April 8, 2014)	April 7, 2014
 The Factum of the Applicant in respect of its request to extend the Stay Period	April 7, 2014
 Brief of Authorities	April 7, 2014
 Submissions of Allen-Vanguard Corporation (Motion and Cross-Motion, returnable April 8, 2014)	April 4, 2014
 Supplementary Brief of Authorities of Allen-Vanguard Corporation (Motion and Cross-Motion, returnable April 8, 2014)	April 4, 2014
 The Motion Record of the Applicant in respect of a motion to extend the stay, returnable April 8, 2014	April 3, 2014
 Motion to extend the stay and the continued Allen-Vanguard Motion, returnable April 8, 2014	March 31, 2014
 Motion Record of the Applicant in respect of Stay Extension Motion (returnable Thursday, March 6, 2014)	March 4, 2014
 Factum of the Applicant in respect of Stay Extension Motion (returnable Thursday, March 6,	March 4, 2014


2014)


 Brief of Authorities of the Applicant in respect of Stay Extension Motion (returnable Thursday, March 6, 2014)	March 4, 2014
 Motion Record of the Applicant (Motion to Extend Time for Annual General Meeting Returnable February 28, 2014)	February 26, 2014
 Factum of the Applicant (Motion to Extend Time for Annual General Meeting of Shareholders Returnable February 28, 2014)	February 26, 2014
 Brief of Authorities of the Applicant with respect to a motion to Extend Time for holding its Annual General Meeting (Returnable February 28, 2014)	February 26, 2014
 The Factum of Allen-Vanguard Corporation for the cross-motion returnable February 11, 2014	February 6, 2014
 Brief of Authorities of Allen-Vanguard Corporation for the cross-motion returnable February 11, 2014	February 6, 2014
 Notice of Appearance of Allen-Vanguard Corporation	February 6, 2014
 Factum of Allen-Vanguard Corporation (Motion re. Extension and Scope of Stay, returnable February 11, 2014)	January 31, 2014
 Brief of Authorities of Allen-Vanguard Corporation for the motion returnable February 11, 2014 (Motion re. Extension and Scope of Stay, returnable February 11, 2014)	January 31, 2014
 Book of Authorities of the Offeree Shareholders for the Allen-Vanguard motion returnable February 11, 2014	January 31, 2014
 Book of Authorities re. the Allen-Vanguard Motion returnable February 11, 2014	January 31, 2014
 Factum of the Offeree Shareholders for the	January 31, 2014


Allen-Vanguard motion returnable February 11, 2014


 Revised Factum of the Applicant re. the Allen-Vanguard Motion returnable February 11, 2014 January 31, 2014


 Factum of the Applicant re. the Allen-Vanguard Motion returnable February 11, 2014 January 31, 2014

 Factum of the Applicant re Stay Extension and Approval of the Claims Procedure Order January 7, 2014


 Book of Authorities of the Applicant re Stay Extension and Approval of the Claims Procedure Order January 7, 2014


 Motion Record re Stay Extension and Approval of Claims Procedure Order Returnable January 9, 2014 January 7, 2014


 Responding Motion Record of Allen-Vanguard Corporation (Motion re: Allen-Vanguard Mini-Trial, Returnable February 11, 2014) December 10, 2013


 Amended Notice of Appearance November 29, 2013

Motion Records of Cross-Motion of the Applicant (Motion re. Allan-Vanguard Mini-Trial Returnable February 11, 2014) November 27, 2013


 Part 1 of 2


 Part 2 of 2


 Factum of Roseway Capital S.A.R.L (Returnable November 28, 2013) November 26, 2013


 Book of Authorities of Roseway Capital S.A.R.L. November 26, 2013


Motion Record (Order Authorizing Distributions to Roseway Capital S.A.R.L) returnable on November 28, 2013 November 22, 2013

 Part 1 of 4


 Part 2 of 4


 Part 3 of 4


 Part 4 of 4


 Affidavit of C. Ian Ross, sworn November 20, 2013 in relation to the Allen-Vanguard motion and November 22, 2013


cross-motion by the Applicant, returnable
February 11, 2014

 Book of Authorities of the Applicant re Approval of the sale and Investor solicitation process, (returnable November 18, 2013) November 14, 2013


 Factum of the Applicant re Approval of the Sale and Investor Solicitation Process, (returnable November 18, 2013) November 14, 2013

 Motion Record of the Applicants re Approval of the Sale and Investor Solicitation Process, (returnable November 18, 2013) November 14, 2013

 Motion Record of Allen-Vanguard Corporation (Motion Regarding Extension and Scope of Stay, returnable October 29, 2013) October 28, 2013

 Motion Record (Stay Extension Motion and Motion to Amend and Restate the Initial Order, returnable on Tuesday, October 29, 2013) October 28, 2013


 Notice of Application September 30, 2013


 Factum of the Applications (returnable October 1, 2013) September 30, 2013

 Book of Authorities September 30, 2013

Application Record (Re. Initial Order pursuant to the Companies' Creditors Arrangement Act) September 30, 2013

 Application Record - Part 1

 Application Record - Part 2

 Termination Letter dated September 30, 2013

TAB 16

**COPY OF MONITOR REPORTS FOR THE FUND
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GrowthWorks Canadian Fund Ltd - Reports

The following reports have been filed in the proceedings:

 Eighteenth Report of the Monitor	January 26, 2017
 Seventeenth Report of the Monitor	December 7, 2016
 Sixteenth Report of the Monitor	June 15, 2016
 Fifteenth Report of the Monitor	December 11, 2015
 Fourteenth Report of the Monitor	May 22, 2015
 Thirteenth Report of the Monitor	February 26, 2015
 Twelfth Report of the Monitor	December 16, 2014
 Eleventh Report of the Monitor	October 17, 2014
 The Tenth Report of the Monitor	May 12, 2014
 The Ninth Report of the Monitor	May 9, 2014
 First Supplement to the Seventh Report of the Monitor in support of motion to extend the stay and the continued Allen-Vanguard Motion, returnable April 8, 2014	April 7, 2014
 The Eighth Report of the Monitor	April 29, 2014
 First Supplement to the Seventh Report of the Monitor in support of motion to extend the stay and the continued Allen-Vanguard Motion, returnable April 8, 2014	April 7, 2014
 Seventh Report of the Monitor	April 3, 2014
 Sixth Report of the Monitor	March 5, 2014

Contact FTI

FTI Consulting
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

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 Fifth Report of the Monitor	January 8, 2014
 Fourth Report of the Monitor	November 26, 2013
 Third Report of the Monitor	November 15, 2013
 Second Report of the Monitor	October 28, 2013
 First Report of the Monitor	October 8, 2013



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GrowthWorks Canadian Fund Ltd - Court Orders Contact FTI

The following Court Orders have been granted in the proceedings:

Stay Extension Order of the Honourable Mr. Justice Newbould December 12, 2016

Stay Extension Order of the Honourable Mr. Justice Newbould June 15, 2016

Endorsement by Justice Newbould June 15, 2016

Order approving Investment Advisor Agreement December 14, 2015

Order approving Investment Advisor Agreement December 14, 2015

Stay Extension Order of Justice S.F.Dunphy December 14, 2015

Endorsement of Justice S.F.Dunphy December 14, 2015

Endorsement of Justice J. Newbould re Roseway Claim November 9, 2015

Order of Justice Newbould approving the Roseway Settlement June 8th, 2015

Order of Justice Pattillo extending the stay in these CCAA proceedings until December 15, 2015 May 26, 2015

The Endorsement of Justice Pattillo in respect of the extension and adjourning the Fund's motion for approval of the Roseway Settlement Agreement until June 8, 2015, on consent. May 26, 2015

Order of Justice Wilton-Siegel re Distribution of Proceeds March 3, 2015

Unofficial Transcript of Endorsement March 3, 2015




















Endorsement of Justice Wilton-Siegel March 3, 2015
















Order of Justice Spence re Former Manager's February

FTI Consulting
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79 Wellington Street West
Suite 2010, P.O. Box 104
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Cross-Motion and The Fund's Amended Motion both returnable February 17, 2015	17, 2015
 Notice of Objection	February 10, 2015
 Notice Procedure Order (in respect of a Distribution Motion)	January 20, 2015
 Endorsement	January 20, 2015
 Sealing Order	December 18, 2014
 Approval and Vesting Order	December 18, 2014
 Order Approving Settlement	December 18, 2014
 Consent Order	November 27, 2014
 Stay Extension Order re Justice Newbould	October 21, 2014
 Order Extending Deadline for Annual General Meeting	October 21, 2014
 Order of Justice Brown enhancing the powers of the Monitor	May 14, 2014
 Order Approving the Fees and Activities of the Monitor	May 14, 2014
 Stay Extension and Approval of Investment Advisor	May 14, 2014
 Reasons for Decision of Justice Brown	May 14, 2014
 Order of Justice D. M. Brown re. Stay Extension	May 2, 2014
 Endorsement of Justice D. M. Brown re. Stay Extension	May 2, 2014
 Stay Extension Order of Justice D.M. Brown	April 10, 2014
 Reasons for Decision of Justice Brown	March 24, 2014
 Stay Extension Order	March 6, 2014
 Endorsement of Justice McEwen	March 6, 2014

 Endorsement of Justice Brown extending the time for the Applicant to hold its Annual General Meeting	February 28, 2014
 Order of Justice Brown extending the time for the Applicant to hold its Annual General Meeting	February 28, 2014
 Endorsement of Justice McEwen	January 9, 2014
 Claims Procedure Order	January 9, 2014
 Stay Extension Order	January 9, 2014
 Endorsement of Justice Mesber	December 3, 2013
 Endorsement of Justice Mesber re. Authorizing Distribution to Roseway Capital S.A.R.L	November 28, 2013
 Order Authorizing Distribution to Roseway Capital S.A.R.L	November 28, 2013
 Endorsement of Justice Morawetz	November 18, 2013
 Order of Justice Morawetz approving Sale and Investor Solicitation Process	November 18, 2013
 Endorsement of Justice Mesbur	November 12, 2013
 Order of Justice Mesbur	October 29, 2013
 Endorsement of Justice Mesbur	October 29, 2013
 Endorsement of Justice Newbould	October 1, 2013
 Initial Order	October 1, 2013

TAB 17

**CARRY PAYMENT NOTE
DATED DECEMBER 30, 2016
FOR \$490,700.14
FROM GROWTHWORKS / DAVID LEVI
TO
CORNERSTONE SECURITIES CANADA INC.
(THE “AFFECTED CREDITOR”)**



Cornerstone Securities
The Exchange Tower, 130 King Street West, Suite 1800, PO Box
427.
Toronto, ON M5X 1E3

Grant Thornton Limited
Suite 1600, Grant Thornton Place
333 Seymour Street
Vancouver, BC
V6B 0A4
T +1 604 687 2711
F +1 604 685 6589
www.GrantThornton.ca

January 20, 2017

**Re: Matrix Asset Management Inc.
Carry Payment Note**

Dear Sirs:

We refer to the Amended Proposal (the "**Proposal**") of the above named. As per the terms of the Proposal we are distributing to you the Carry Payment Note in respect of your claim. All distributions to creditors in this proceeding are subject to the Superintendent's Levy (the "**Levy**") and, as such, the enclosed Carry Payment Note has been issued to you in an amount net of the Levy. Below is a summary of this calculation:

Admitted Claim Amount	\$494,303.75
Less: Levy	<u>\$3,603.61</u>
Carry Payment Note Issued	\$490,700.14

For any questions regarding the Carry Payment Note, please contact the issuer, Growth Works Ltd.

Yours sincerely,

GRANT THORNTON LIMITED
Trustee under the Proposal of Matrix Asset Management Inc.

Per:

Michelle Madriga, CPA, CGA, CIRP, LIT
Vice President



Grant Thornton
 An instinct for growth™

1600 - 333 Seymour Street
 Vancouver BC, V6B 0A4



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Cornerstone Securities
 The Exchange Tower, 130 King Street West
 Suite 1800, PO Box 427
 Toronto, ON M5X 1E3

Province: British Columbia
Bankruptcy Division
Vancouver Registry
Court No. B150434
Estate no. 11-1984801

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
MATRIX ASSET MANAGEMENT INC.**

CARRY PAYMENT NOTE

\$490,700.14

Date: December 30, 2016

This Note is issued pursuant to the amended proposal (the "**Amended Proposal**") of Matrix Asset Management Inc. (the "**Company**") filed with the Office of the Superintendent of Bankruptcy on April 30, 2015. Capitalized terms used but not otherwise defined in this Note shall have the meanings ascribed to them in the Amended Proposal.

PURSUANT TO THE TERMS OF THE AMENDED PROPOSAL, the undersigned ("**GWL**") covenants and agrees to comply with the terms of this Note and promises to pay to Cornerstone Securities Canada Inc. (the "**Affected Creditor**") at The Exchange Tower, 130 King Street West Suite 1800, PO Box 427, Toronto, ON, M5X 1E3, or such other place as the Affected Creditor may designate, or order, the sum of four hundred ninety thousand and seven hundred dollars and fourteen cents (\$490,700.14) (the "**Creditor Note Amount**"), in the manner and upon the terms following:

- (a) if the Creditor Note Amount relates:
- (i) in whole or in part to a contingent liability of the Company and that liability is subsequently released, satisfied and discharged, in whole or in part, then, at such time, the Proven Claim Amount shall be reduced so as to reflect the reduction in the amount of such liability, whether in whole or in part; and
 - (ii) in whole or in part to a liability in respect of which another party (a "**Co-Obligor**") is jointly liable with the Company and that liability is subsequently satisfied by the Co-obligor, in whole or in part, then, at such time, the Proven Claim Amount shall be reduced so as to reflect the reduction in the amount of such liability, whether in whole or in part;

(b) payments under this Note (including the 5% per annum premium referred to in paragraph (d) below) shall be sourced only from the balance (if any) of any Carry Payments received by GWL from GWC after the Implementation Date after payment of the GWL Prior Obligations; provided that GWC shall make Carry Payments to GWL only and to the extent that such payments are not proscribed or restricted by any term or condition on GWC's registration with applicable securities regulators;

(c) payments under this Note (including the 5% per annum premium referred to in paragraph (d) below) shall be made *pro rata* with payments under all Carry Payment Notes (including this Note) in accordance with the Amended Proposal until all Carry Payment Notes (including this Note) are paid in full;

(d) once all Carry Payment Notes (including this Note) are paid in full, subject to the ongoing payment of the GWL Prior Obligations, GWL shall pay to the Affected Creditor a 5% per annum premium on the Creditor Note Amount until the Note Termination Date;

(e) upon the Note Termination Date, all obligations under this Note shall terminate and GWL shall have no further obligations thereunder;


(f) GWL waives presentment for payment, notice of non-payment, notice of dishonour, protest and notice of protest; and

(g) This Note is not transferrable.

Executed by:

GROWTH WORKS LTD.

on the 30 day of DEC., 2016,
by its authorized signatory(ies):



TAB 18

**COMMERCIAL COURT MEMO
REGARDING TRIAL DATE
DECEMBER 28, 2016**

Anissimova, Alsou (MAG)

From: Anissimova, Alsou (MAG)
Sent: December-28-16 11:38 AM
To: 'Hall, Geoff R.'
Cc: 'msolmon@srglegal.com'
Subject: 7 days trial , Growthworks Canadian Fund LTD v L'Abbe, file cv13-10279-00cl

Hello!

Justice Newbould directed that 7 days trial to commence on week of March 20/17 instead of week of March 27/17.
Please confirm.

Thank you.

Alsou Anissimova

Superior Court of Justice
Commercial & Estates
330 University Ave 7th floor
Toronto, Ontario
M5G 1R7
Tel: (416) 327-5043
Fax: (416) 326-2939
Email: toronto.commercialist@jus.gov.on.ca

*Trial
March 27*

TAB 19

FORM 62-103F1

**REQUIRED DISCLOSURE UNDER
THE EARLY WARNING REQUIREMENTS
MATRIX / GROWTHWORKS / DAVID LEVI**

**FILED ON SEDAR
ON JANUARY 27, 2017**

Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Item 1 – Security and Reporting Issuer

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Designation of Securities: Common shares (the “Shares”)

Name and address of the head office of the issuer:

Matrix Asset Management Inc. (the “Company”)
Suite 2600, 1055 West Georgia Street
Vancouver, British Columbia V6E 3R5

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

Item 2 – Identity of the Acquiror

- 2.1 State the name and address of the acquiror.

Working Enterprises Ltd. (the “Acquiror”)
Suite 2600, 1055 West Georgia Street
Vancouver, British Columbia V6E 3R5

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On January 27, 2017, the Acquiror acquired ownership of 1 Share of the Company as described below (the “Acquisition”). On January 27, 2017 the Company filed Articles of Dissolution and upon issuance of a Certificate of Dissolution, the Company will be dissolved and the Acquiror will cease to hold the Share.

On April 17, 2015, the Company filed a Division I proposal (the “Proposal”) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 the purpose of which was to permit the Company to compromise the indebtedness owed to affected creditors on a fair and equitable basis so as to facilitate a capital restructuring of the Company. On May 20, 2015, the Proposal was accepted by its creditors and on June 8, 2015 the Company obtained an order from the Supreme Court of British Columbia approving the Proposal. The Proposal provided for the compromise and release of claims of the affected creditors against the Company in exchange for contingent obligations issued by Growth Works Ltd., a wholly-owned subsidiary of the Company. The Acquiror was an affected creditor and declined 50 percent of the contingent obligations to which the

Acquiror would otherwise be entitled under the Proposal in partial consideration for the Share. In addition, the Proposal provided for the cancellation of all issued and outstanding shares of the Company and the issuance of the Share to the Acquiror and the issuance of one common share to David Levi (“DL”). Prior to the issuance of the Shares, the Acquiror entered into a voting trust agreement with DL pursuant to which DL granted the Acquiror voting control with respect to the one common share held by DL (the “DL Share”).

2.3 State the names of any joint actors.

David Levi, or DL, as DL entered into a voting trust agreement with the Acquiror granting the Acquiror voting control with respect to the DL Share.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

The Acquiror acquired ownership of 1 Share of the Company as described in Item 2.2 above.

Prior to the capital restructuring of the Company as described in Item 2.2 above, the Acquiror had control, both directly and indirectly, of an aggregate of 16,938,801 common shares of the Company representing approximately 32.2% of the total outstanding Shares and DL had control, both directly and indirectly, of an aggregate of 6,397,773 common shares of the Company representing approximately 12.2% of the total outstanding Shares.

Following the implementation of the capital restructuring and as a result of the Acquisition, the Acquiror holds the 1 Share, representing 50% of the total issued and outstanding shares (based on 2 total shares issued and outstanding as of the date hereof). The Acquiror also has voting control over the DL Share pursuant to the voting trust agreement referred to in Item 2.2 above.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

The Acquiror acquired ownership of 1 Share of the Company as described in Item 2.2 above. On January 27, 2017 the Company filed Articles of Dissolution and upon issuance of a Certificate of Dissolution, the Company will be dissolved and the Acquiror will cease to hold the Share.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the capital restructuring of the Company as described in Item 2.2 above, the Acquiror had control, both directly and indirectly, of an aggregate of 16,938,801 common shares of the Company representing approximately 32.2% of the total outstanding Shares and DL had control, both directly and indirectly, of an aggregate of 6,397,773 common shares of the Company representing approximately 12.2% of the total outstanding Shares.

As a result of the Acquisition, the Acquiror holds the 1 Share, representing approximately 50% of the total issued and outstanding shares (based on 2 total shares issued and outstanding as of the date hereof). The Acquiror also has voting control over the DL Share pursuant to the voting trust agreement referred to in Item 2.2 above. On January 27, 2017 the Company filed Articles of Dissolution and upon issuance of a Certificate of Dissolution, the Company will be dissolved and the Acquiror will cease to hold the Share.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

Please see Item 3.4 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Please see Item 3.4 above.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Please see Item 3.4 above.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Not applicable.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

\$0.01. Please see Item 2.2 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Please see Item 2.2 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Acquiror acquired the Share pursuant to the Proposal described in Item 2.2 above. The Acquiror together with DL have passed the necessary shareholders resolutions to dissolve the Company and on January 27, 2017 the Company filed Articles of Dissolution. Upon issuance of a Certificate of Dissolution, the Company will be dissolved and cease to be a reporting issuer and the Acquiror will cease to hold the Share.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Please see Item 2.2 above.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable. Please see Item 2.2 above.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.


It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

January 27, 2017
Date

WORKING ENTERPRISES LTD.

Signature

David Levi, Director
Name/Title

TAB 20

**SHAREHOLDER EARLY WARNING
NEWS RELEASE
MATRIX / GROWTHWORKS / DAVID LEVI**

**FILED ON SEDAR
JANUARY 27, 2017**

Source: Working Enterprises Ltd. and David Levi

Shareholder Early Warning News Release

January 27, 2017 - Vancouver, BC –Working Enterprises Ltd.(“WE”) and David Levi (“DL”) each acquired ownership of 1 common share (each a “Share” and together the “Shares”) of Matrix Asset Management Inc. (the “Company”) as part of a capital re-organization pursuant to a court order approving a Division I proposal under the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3. The proposal provided for the compromise of indebtedness and release of claims of the affected creditors against the Company in exchange for contingent obligations issued by a wholly-owned subsidiary of the Company and provided for the cancellation of all issued and outstanding shares of the Company and the issuance of the Shares. On January 27, 2017 the Company filed Articles of Dissolution and upon issuance of a Certificate of Dissolution, the Company will be dissolved and cease to be a reporting issuer and WE and DL will cease to hold the Shares. Prior to the capital restructuring of the Company, DL had control, both directly and indirectly, of an aggregate of 6,397,773 common shares of the Company representing approximately 12.2% of the total outstanding common shares and WE had control, both directly and indirectly, of an aggregate of 16,938,801 common shares of the Company representing approximately 32.2% of the total outstanding common shares. Following the implementation of the capital restructuring, each of DL and WE hold 1 Share, each Share representing 50% of the total issued and outstanding shares of the Company, with the Share held by DL being subject to a voting trust agreement under which DL granted irrevocable voting control of the Share to WE.

Contact Information:

Working Enterprises Ltd.
David Levi, President
(604) 895-7253

TAB 21

**CERTIFICATE OF DISSOLUTION
MATRIX / GROWTHWORKS / DAVID LEVI**

**FILED ON SEDAR
JANUARY 27, 2017**

Certificate of Dissolution

Canada Business Corporations Act

Certificat de dissolution

Loi canadienne sur les sociétés par actions

Matrix Asset Management Inc.
Matrix Gestion d'actifs inc.

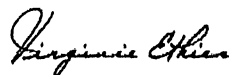
Corporate name / Dénomination sociale

726931-5

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation is dissolved pursuant to section 210 (3) of the *Canada Business Corporations Act*.

JE CERTIFIE que la société susmentionnée est dissoute conformément à l'article 210(3) de la *Loi canadienne sur les sociétés par actions*.



Virginie Ethier

Director / Directeur

2017-01-27

Date of Dissolution (YYYY-MM-DD)
Date de dissolution (AAAA-MM-JJ)



Articles of Dissolution

Clauses de dissolution

Canada Business Corporations Act / Loi canadienne sur les sociétés par actions
(CBCA) (s. 210 and 211) / (LCSA) (art. 210 et 211)

- 1 Corporate name
Dénomination sociale
Matrix Asset Management Inc.
Matrix Gestion d'actifs Inc.
- 2 Corporation number
Numéro de la société
726931-5
- 3 Solvency of the corporation
Solvabilité de la société
The corporation is not insolvent or bankrupt.
La société n'est pas insolvable ni en faillite au sens de la Loi sur la faillite et l'insolvabilité.
- 4 Authority for dissolution
Autorité pour dissolution
The corporation has distributed all of its property and discharged all of its liabilities and the shareholders have approved the dissolution under subsection 210(3).
La société a réparti tous ses biens et s'est acquittée de toutes ses obligations et les actionnaires ont approuvé la dissolution en vertu du paragraphe 210(3).
- 5 The person keeping the documents and records of the corporation for six years after the date of dissolution.
La personne qui garde les documents et livres de la société pour une période de six ans suivant la date de dissolution.
David Levi
Businessperson
Growth Works Ltd.
#2600 - 1055 West Georgia Street
Vancouver BC V6E 3R5
Canada
- 6 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant autorisé de la société.

David Levi
604-633-1418

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the Privacy Act allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la Loi sur les renseignements personnels permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

TAB 22

**EXTRACTS FROM ANNUAL INFORMATION FORMS
("AIFs")**

MATRIX / GROWTHWORKS

FOR 2014 - FILED ON SEDAR ON MARCH 31, 2014

FOR 2013 - FILED ON SEDAR ON APRIL 2, 2013

FOR 2012 - FILED ON SEDAR ON MARCH 30, 2012

FOR 2011 - FILED ON SEDAR ON MARCH 29, 2011



Annual Information Form

For the year ended December 31, 2013

March 31, 2014

I. PRELIMINARY NOTES AND CAUTIONARY STATEMENT

Date of Information & References

In this Annual Information Form ("AIF"), information is given as at December 31, 2013, unless stated otherwise. References to "Matrix" or the "Company" mean Matrix Asset Management Inc. and include, as the context requires, its subsidiaries.

All financial information in this AIF is prepared in accordance with International Financial Reporting Standards ("IFRS" or also referred to as generally accepted accounting principles, or "GAAP") in Canadian dollars.

Forward Looking Statements

Certain statements in this AIF are forward-looking statements based on beliefs, assumptions and expectations of the Company and not on historical fact. Forward-looking statements are provided to present information about management's current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding Matrix's ability to continue to operate as a going concern and meet minimum working capital and other regulatory requirements, future operations, business, financial condition, assets under management ("AUM"), financial results, expense reductions, tax refunds, dividends and dividend policies, re-payment, re-financing and/or re-structuring of Matrix's financial obligations, managed venture capital fund divestments, performance, prospects, opportunities, priorities, goals, strategies and outlook of the Company for the current financial year and beyond. Forward-looking statements include statements that are predictive in nature or depend upon or refer to future events or conditions.

Forward-looking statements are based upon beliefs and assumptions that were applied in drawing a conclusion or making an estimate, forecast or projection as reflected in the forward-looking statements, including the perception of trends and current conditions and beliefs and assumptions with respect to levels of AUM and expenses and related assumptions as to levels of portfolio returns and managed fund sales and redemptions, beliefs and assumptions concerning prevailing and future economic and market conditions and the impact of such conditions and other factors on Matrix's AUM, the future value of Matrix Common shares, the continuation of portfolio and fund management and advisory engagements, the extent and effectiveness of cost-saving measures and the impact of such measures and other factors on earnings, the outcome of pending and future tax filings, the outcome of litigation, the outcome of disputes on the allocation of expenses between GrowthWorks Canadian Fund Ltd. and the Company, the expected benefits from the impact of transactions on Matrix's future operations, the ability of Matrix to re-pay, re-finance or re-structure financial obligations, including the \$5 Million Facility (defined below) and maintain compliance with related contractual covenants, minimum working capital and other regulatory requirements and other laws, tax rates, the outcomes of regulatory compliance reviews, the ability of managed venture capital funds to generate liquidity, pay management fees and IPA revenues when due and satisfy secured payment obligations under financing arrangements, performance of managed venture capital investments relative to carrying values and performance fee return thresholds, the collection of trade receivables and the absence of extraordinary or one-time expenses not currently known to management. While management considers these beliefs and assumptions to be reasonable based on information and the outcome of tax filings currently available to it, they are subject to numerous risks and uncertainties and no assurance can be given that such beliefs and assumptions will prove to be correct. Accordingly, actual results may differ significantly from those expressed or implied by forward-looking statements due to many factors including, but not limited to, regulatory and other risks associated with the venture capital fund management sector generally, market, economic, political and other risks affecting portfolio performance, the actual value of Matrix Common shares, interest and foreign exchange rates, levels of managed fund sales and redemptions and in turn Matrix's AUM, risks associated with tax filings and litigation, other risks affecting revenues and earnings, regulatory and other risks associated with fund and asset management activities, liquidity risks associated with the voluntary delisting from the Toronto Stock Exchange (the "TSX") for Matrix Common shares, managed venture capital fund divestments and

liquidity levels, risks associated with non-performance of financial obligations, including secured obligations, changes in consumer demand for the financial products offered by the Company, Matrix's ability to respond to competition and other risks and uncertainties listed under "Risks Factors", many of which are beyond the control of Matrix.

Readers are cautioned that the assumptions and risks noted in this AIF are not exhaustive of the factors that may affect any of the Company's forward-looking statements. Readers are also cautioned to consider these and other risks, uncertainties and potential events carefully and not place undue reliance on forward-looking statements. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or other factors.

II. CORPORATE STRUCTURE

Name, Address & Formation

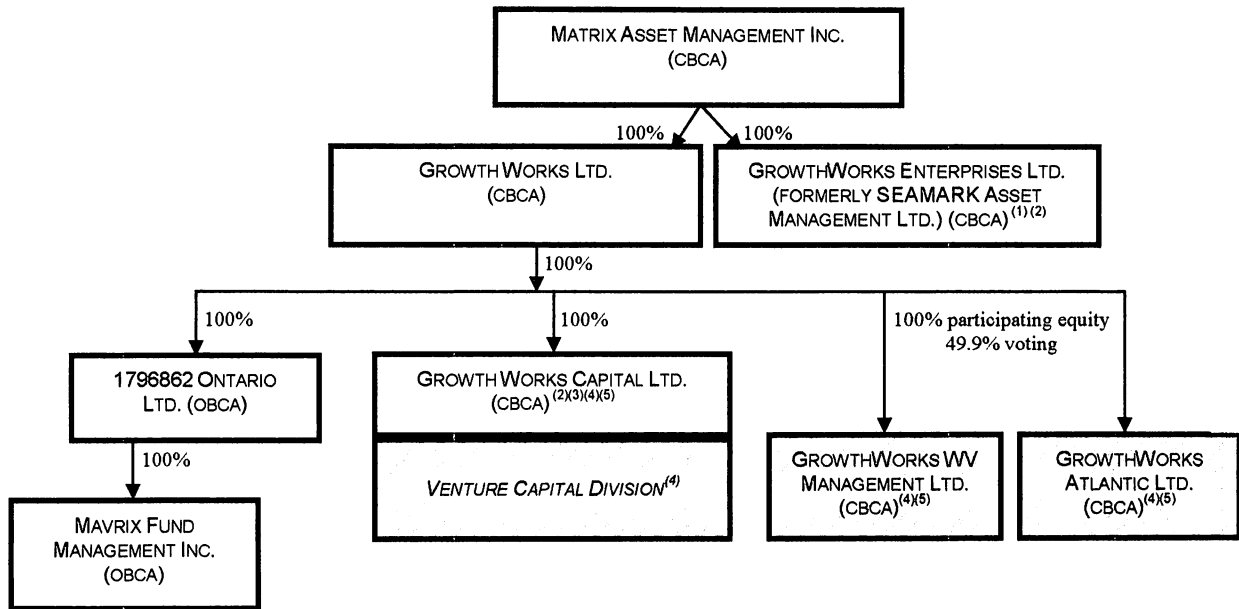
Matrix was incorporated on October 30, 2009 as "Matrix Asset Management Ltd." pursuant to the provisions of the *Canada Business Corporation Act* ("CBCA"). On November 23, 2009, the Company amended its articles to change its name to "Matrix Asset Management Inc." and to authorize the issuance of an unlimited number of preferred shares from time to time in one or more series. On May 19, 2011, the articles of the Company were amended to change the name of the Company from "Matrix Asset Management Inc." to "Matrix Asset Management Inc. / Matrix Gestion d'actifs inc." so as to include the French name of the Company. The registered and records office of Matrix are located at Suite 1502, 1959 Upper Water Street, Halifax, Nova Scotia, Canada B3J 3N2.

Matrix has three offices across Canada in the following cities: Vancouver, Toronto and Halifax. The Fredericton office closed in April 2013. The Vancouver office is the principal operating office.

Matrix became listed on the Toronto Stock Exchange on January 15, 2010 following a statutory plan of arrangement and a business combination (the "Business Combination") among Matrix, Growth Works Ltd. ("GrowthWorks") and SEAMARK Asset Management Ltd. ("SEAMARK"). On December 3, 2013, Matrix announced that it intended to apply for alternative listing arrangements and voluntarily delist from the TSX. On March 25, 2014, Matrix announced that it would voluntarily delist from the TSX on March 28, 2014 and determined that it would not continue to pursue an alternative listing. See "General Development of the Business – Changes to Matrix's Business in 2013".

Intercorporate Relationships

The principal business of the Company is carried on through its subsidiaries. The following chart depicts the corporate structure of the Company together with the jurisdiction of each of the Company's material subsidiaries. Except as noted below, all of the subsidiaries are wholly-owned either directly by Matrix or indirectly through one of its subsidiaries.



Notes:

"CBCA" means the Canada Business Corporations Act and "OBCA" means the Ontario Business Corporations Act.

- (1) GrowthWorks Enterprises was registered under securities laws as follows: (a) portfolio manager – all provinces; (b) exempt market dealer – all provinces; (c) mutual fund dealer – all provinces; (d) investment fund manager – British Columbia, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador. On October 4, 2013, GrowthWorks Enterprises applied to surrender all of its registrations and, in keeping with such application, its registrations have been suspended.
- (2) SEAMARK Asset Management Ltd. sold its operating assets on July 12, 2013 to a newly formed company owned by Robert McKim, the Chief Investment Officer and a director of SEAMARK, and Marquest Asset Management Inc. On July 16, 2013, the portfolio management, custodian and related contracts of the Matrix group of investment funds (the "Matrix Funds") moved from Growth Works Capital Ltd.'s Matrix Funds operating division to SEAMARK and SEAMARK changed its name to GrowthWorks Enterprises Ltd. On September 16, 2013, the portfolio management, custodian and related contracts of the Matrix Funds were sold to Marquest. See "General Development of the Business – Changes to Matrix's Business in 2013".
- (3) Growth Works Capital Ltd. is registered under securities laws as follows: (a) portfolio manager – British Columbia, Saskatchewan, Manitoba, Ontario and Nova Scotia; (b) exempt market dealer – British Columbia and Ontario; (c) mutual fund dealer – British Columbia, Saskatchewan, Ontario and Nova Scotia; (d) investment fund manager – British Columbia, Quebec, Newfoundland and Labrador.
- (4) The Venture Capital Division of Growth Works Capital Ltd. specializes in the management of regionally based venture capital funds. Growth Works Capital is the manager of Working Opportunity Fund (EVCC) Ltd. and provides management and investment management services to GrowthWorks Commercialization Fund Ltd., GrowthWorks Atlantic Venture Fund Ltd. and Institutional VC Group (defined below). Growth Works Capital also provided management and investment management services to GrowthWorks Canadian Fund Ltd. until October 1, 2013, when GrowthWorks Canadian Fund obtained an order for creditor protection under the *Companies' Creditors Arrangement Act* (CCAA). GrowthWorks WV Management Ltd. is the manager of GrowthWorks Commercialization Fund Ltd. GrowthWorks WV Management was also the manager of GrowthWorks Canadian Fund until October 1, 2013, when GrowthWorks Canadian Fund delivered notice to GrowthWorks WV Management terminating the Management Agreement between GrowthWorks Canadian Fund and GrowthWorks WV Management. See "General Development of the Business – Changes to Matrix's Business in 2013". Growth Works Atlantic Ltd. is the manager of Growth Works Atlantic Venture Fund Ltd. Management services are provided under management agreements between members of the Venture Capital Division and the venture capital funds.
- (5) Matrix's wholly-owned subsidiary, Growth Works Ltd., holds all of the equity securities and 499 (49.9%) of the voting securities of each of GrowthWorks WV Management Ltd. and Growth Works Atlantic Ltd., with the remaining 501 (50.1%) of the voting securities being held by David Levi and Working Enterprises Ltd. The voting securities of those two entities held by David Levi and Working Enterprises Ltd. are voting only and have no economic participation of any kind. Prior to the Business Combination, David Levi and Working Enterprises Ltd. (which is owned by seven Canadian labour organizations) were the majority shareholders of Growth Works Ltd., which was the parent company of GrowthWorks WV Management and Growth Works Atlantic. The voting arrangement set out above was established to provide comfort to the sponsors of the particular labour-sponsored venture capital funds managed by GrowthWorks WV Management and Growth Works Atlantic that David Levi and Working Enterprises would maintain voting control of GrowthWorks WV Management and Growth Works Atlantic. GrowthWorks WV Management manages GrowthWorks Commercialization Fund Ltd. and formerly managed GrowthWorks Canadian Fund Ltd. The sponsor of these two venture capital funds is the Canadian Federation of Labour. GrowthWorks Atlantic Ltd. manages the GrowthWorks Atlantic Venture Fund Ltd. The sponsors of this fund are the New Brunswick Federation of Labour, the Newfoundland and Labrador Federation of Labour, the Nova Scotia Federation of Labour, the PEI Federation of Labour and the Canadian Federation of Labour. Mr. Levi is the President and Chief Executive Officer of Matrix and Growth Works Ltd. Working Enterprises Ltd. is the largest shareholder of Matrix.

III. GENERAL DEVELOPMENT OF THE BUSINESS

Introduction

Matrix, in its fourth operating year, is a venture capital asset management company with offices in Halifax, Toronto and Vancouver. Matrix has approximately \$232 million in AUM as at December 31, 2013 operated through GrowthWorks, which manages funds in the retail and institutional venture capital sector.

During a portion of the year, Matrix had three principal operating units:

- Institutional asset management, operated through SEAMARK, which offered portfolio management to institutional and high net worth private clients until these assets were sold on July 12, 2013;
- Mutual and specialty fund management, which managed the “Matrix Funds” distributed through investment dealers and financial planners across Canada until these assets were sold on September 16, 2013; and
- Venture capital and private equity, operated through GrowthWorks, which manages funds in the venture capital and private equity sector for individual and institutional investors.

These operating units were divided into two reportable segments under GAAP as detailed under “Description of Business”. During 2013, Matrix sold its institutional and retail mutual fund operating units to reduce operational expenses and to concentrate on its venture capital division. See “Changes to Matrix’s Business in 2013” below.

Matrix is pursuing a range of potential options for re-financing and/or reducing some of its liabilities such as negotiating extended maturity dates that would improve Matrix’s working capital position. Management’s cash flow forecasts indicate that the Company is expected to have resources available to continue to operate as a going concern. However, the forecasts are based on a number of assumptions with respect to future cash flows. Uncertainties surrounding these assumptions may cast significant doubt on the ability of Matrix to continue discharging its liabilities in the normal course of business and operating as a going concern.

Changes to Matrix’s Business in 2013

On December 31, 2012, GrowthWorks WV Management Ltd. (“GWWV”), a subsidiary of Matrix, entered into a management agreement with an arm’s length limited partnership and related unlimited liability corporations (“Institutional VC Group”) to provide portfolio advisory and investment management services for certain companies in its collective investment portfolio. The management agreement provides that approximately \$169,000 will be paid to GWWV annually for each of 2013 and 2014 and approximately \$113,000 annually for 2015 until the termination of the management contract. In addition, if after-tax disposition proceeds of the investment portfolio are equal to or greater than 150% of the invested capital, then GWWV will receive a bonus payment of 5% of such proceeds exceeding that 150% threshold, and additional bonuses of 10% if such proceeds exceed 200% of the invested capital and a further 10% if such proceeds exceed 300% of the invested capital. GWWV is responsible for expenses it incurs in providing its services and the Institutional VC Group is responsible for operating expenses of each of its entities and certain third party costs and taxes related to the investment portfolio. The management agreement terminates on January 1, 2017 but may be renewed by the Institutional VC Group for up to two subsequent one-year terms.

On April 19, 2013, Matrix announced that it had received correspondence from the British Columbia Securities Commission (“BCSC”) regarding a compliance field audit conducted by the BCSC in respect of a Matrix subsidiary, Growth Works Capital Ltd. (“GWC”). The BCSC correspondence related to GWC’s management activities in respect of GrowthWorks managed retail venture capital funds. The BCSC identified alleged deficiencies in GWC’s system of compliance procedures and internal controls. GWC

strongly disagrees with the BCSC's characterization of GWC's activities but provided the BCSC with undertakings with respect to transactions between GrowthWorks managed funds, GrowthWorks related parties and other matters. GWC believes that it has complied with all requirements under applicable securities legislation, however there can be no assurance that the compliance field audit will not result in the BCSC initiating regulatory proceedings. At this time, Matrix cannot determine what further regulatory action, if any, may be pursued. If further regulatory action is pursued, the outcomes of such regulatory action may have an adverse effect on the operations, financial results and prospects of Matrix and on funds managed by GWC and its related companies. See "Risk Factors – Litigation and Potential Liability under Securities Laws".

On July 12, 2013, Matrix announced that it successfully completed its previously announced sale of the operating assets (excluding regulatory registrations and working capital) of the institutional and high net worth operating unit of its subsidiary, SEAMARK (the "SEAMARK Sale"). The operating assets of SEAMARK were purchased by a newly formed company ("New Seamark") owned by Robert McKim, the former Chief Investment Officer and a former director of SEAMARK, and Marquest Asset Management Inc. ("Marquest"). On closing of the sale, Mr. McKim indirectly owned 67% of the outstanding shares of New Seamark and Marquest owned the remaining 33%. Mr. McKim never served on the board of directors or as an officer of Matrix. The board of directors of Matrix, all of whom are independent of New Seamark, unanimously approved the sale. The sale had a transaction value of approximately \$1.62 million, consisting of: (i) \$900,000 advanced by Mr. McKim to Matrix effective May 31, 2013, (ii) \$200,000 advanced by Marquest to Matrix effective June 4, 2013, (iii) \$200,000 advanced by Mr. McKim to GWE effective June 4, 2013, (iv) \$100,000 advanced by Mr. McKim to Matrix effective June 4, 2013, and (v) the forgiveness of \$218,739 of indebtedness owed by GWE to a company related to Mr. McKim. The advances were evidenced by promissory notes from Matrix and GWE in favour of Mr. McKim and Marquest and, on the closing of the sale, Matrix and GWE were released from their respective obligations under the promissory notes, with the principal amount of the promissory notes applied on account of the purchase price paid by New Seamark for the SEAMARK assets. On closing, interest in the amount of \$9,500 was paid in respect of the promissory notes issued to Mr. McKim and interest in the amount of \$1,918 was paid in respect of the promissory note issued to Marquest. As part of the sale, New Seamark acquired the right to use the name "SEAMARK Asset Management Ltd." and changed its name to "SEAMARK Asset Management (2013) Ltd." SEAMARK changed its name to GrowthWorks Enterprises Ltd. ("GWE"). On July 16, 2013, the management of the Matrix group of investment funds (the "Matrix Funds") moved from GWC to GWE. Following the subsequent Matrix Funds Sale (defined below), on October 4, 2013 GWE applied to surrender all its registrations, and in keeping with such an application, its registrations have been suspended.

On August 9, 2013, Matrix announced that the Toronto Stock Exchange ("TSX") had informed Matrix that it would be reviewing the eligibility of the Common shares of Matrix with respect to its continued listing on the TSX. The TSX initiated its delisting review because the market value of publicly held Common shares of Matrix fell below levels required under TSX rules. Matrix was granted 120 days in which to regain compliance with all requirements for continued listing. On December 3, 2013, Matrix announced that it believes that it does not meet the TSX requirements for continued listing. Accordingly, Matrix applied for alternative listing arrangements and to voluntarily delist from the TSX. On March 25, 2014, Matrix announced that it would voluntarily delist from the TSX on March 28, 2014 and determined that it would not continue to pursue an alternative listing. The delisting affects only Matrix Common shares and does not affect any of the funds managed by subsidiaries of Matrix.

On September 17, 2013, Matrix announced that it successfully completed its previously announced sale to Marquest of the portfolio management, custodian and related contracts of the Matrix Funds that were managed by Matrix's registrant subsidiary, GWE (the "Matrix Funds Sale"). Marquest purchased the assets in consideration of (i) a \$1 million loan previously advanced by Marquest to Matrix on April 15, 2013, the proceeds of which were retained by Matrix, (ii) \$130,000 payable to Matrix after two years, subject to the satisfaction of escrow conditions, and (iii) the assumption by Marquest of indebtedness owned by Matrix and guaranteed by its related parties in the principal amount of \$6 million, subject to a guarantee from Matrix in the amount of \$2 million. As part of the transaction, Matrix agreed for the next two years to (i) indemnify Marquest for a portion of any future severance costs of Matrix employees

employed by Marquest following closing, and (ii) guarantee up to \$2 million principal, and a proportionate amount of interest, costs and expenses in relation to the \$6 million loan assumed by Marquest. Matrix's severance indemnity obligation is secured by the \$130,000 placed in escrow on closing and by a general security agreement over the assets of Matrix. The circumstances that would lead to a claim against the escrowed amount and/or enforcement of the guarantees are entirely beyond the control of Matrix. Accordingly, there can be no assurance as to whether Matrix will receive all or any of the \$130,000 escrowed amount or as to whether Matrix will ultimately receive the full value of the loan assumption or a lesser value should one or both guarantees be enforced.

On September 30, 2013, GrowthWorks Canadian Fund Ltd. ("Canadian Fund") obtained an order for creditor protection under the Companies' Creditors Arrangement Act ("CCAA") and delivered notice to GWWV terminating the Management Agreement between Canadian Fund and GWWV (the "Management Agreement"), effective immediately. The termination notice was delivered immediately prior to Canadian Fund obtaining an order for a court-supervised process under the CCAA. In Canadian Fund's CCAA filing, GWWV and GWC were named as "critical suppliers" of services to Canadian Fund. GWWV and GWC's status as critical suppliers and the terms on which GWWV and/or GWC would provide any services to Canadian Fund was reviewed at a subsequent court hearing and is still the subject of negotiation between the parties. Neither Matrix nor GWWC had prior notice of Canadian Fund's intention to deliver a termination notice. Matrix and GWWC strongly disagree with Canadian Fund's basis for terminating the Management Agreement and on March 5, 2014 filed a claim for damages arising from the termination of the Management Agreement totaling \$18 million. While the Management Agreement contemplates that all disputes between Canadian Fund and GWWV are to be referred to binding arbitration, the CCAA order secured by Canadian Fund may limit GWWV's ability to pursue binding arbitration with respect to the termination of the Management Agreement and any other matters in dispute. The termination of the Management Agreement has had a material adverse effect on Matrix's operating revenues and results of operation. Canadian Fund has reserved the right to claim damages in respect of any breaches of the Management Agreement by GWWV. There can be no assurance as to the outcome of claims made by Canadian Fund with respect to such breaches, if any, or by GWWV with respect to what Matrix believes is a wrongful termination of the Management Agreement. Further, there can be no assurance as to the outcome of the CCAA proceedings initiated by Canadian Fund and the impact of such proceedings on the Management Agreement and GWWV's ability to pursue and, if successful, recover amounts that GWWV may otherwise be entitled to. See also "Risk Factors" – Performance Dependent on AUM".

Borrowing Transactions

On May 18, 2012, Matrix announced that GWWV entered into a loan agreement with an arm's length private company (the "Third Party Lender") providing for a term loan in the amount of \$4,000,000. The loan matured on July 31, 2014 (the "Maturity Date") and was repayable in three installment payments on July 31, 2013, January 31, 2014 and July 31, 2014. The loan bore interest at an annual rate of 18% per annum until July 31, 2013 and 20% per annum thereafter until the Maturity Date, payable on the Maturity Date. The loan was secured by a charge over all present and after-acquired assets of GWWV. Matrix had provided a guarantee of the loan in favour of the Third Party Lender, as had GrowthWorks. The proceeds of the loan from the Third Party Lender were used to fund a loan in the same amount to Canadian Fund (the "Canadian Fund Loan"), in order for Canadian Fund to pay its operating expenses and complete follow-on investments. The repayment, interest and other terms of the loan from the Third Party Lender and the Canadian Fund Loan were the same. The Canadian Fund Loan was secured by a charge over Canadian Fund's chargeable assets and proceeds derived from non-chargeable assets. On July 19, 2013, the Canadian Fund Loan was repaid, as was the loan from the Third Party Lender in the same principal amount.

In 2012, Matrix sought medium-term working capital financing. To this end, on August 7, 2012, the Board of Directors approved Matrix raising up to \$2.0 million through term loan arrangements, including with insiders of Matrix. During the third quarter of 2012, Matrix raised \$275,000 and \$300,000 under term loans advanced by David Levi, the President & Chief Executive Officer and a principal shareholder of Matrix, and Working Enterprises Ltd., another principal shareholder of Matrix (the "Related Lenders").



Annual Information Form

For the year ended December 31, 2012

March 30, 2013

I. PRELIMINARY NOTES AND CAUTIONARY STATEMENT

Date of Information & References

In this Annual Information Form ("AIF"), information is given as at December 31, 2012, unless stated otherwise. References to "Matrix" or the "Company" mean Matrix Asset Management Inc. and include, as the context requires, its subsidiaries.

All financial information in this AIF is prepared in accordance with International Financial Reporting Standards ("IFRS" or also referred to as generally accepted accounting principles, or "GAAP") in Canadian dollars.

Forward Looking Statements

Certain statements in this AIF are forward-looking statements based on beliefs, assumptions and expectations of the Company and not on historical fact. Forward-looking statements are provided to present information about management's current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, dividends and dividend policies, performance, targeted acquisitions and other transactions, prospects, opportunities, new products, priorities, goals, strategies and outlook of the Company for the current financial year and beyond. Forward-looking statements include statements that are predictive in nature or depend upon or refer to future events or conditions.

Forward-looking statements are based upon beliefs and assumptions that were applied in drawing a conclusion or making an estimate, forecast or projection as reflected in the forward-looking statements, including the perception of trends and current conditions and beliefs and assumptions with respect to levels of assets under management ("AUM") and expenses and related assumptions as to levels of portfolio returns and managed fund sales and redemptions, beliefs and assumptions concerning prevailing and future economic and market conditions and the impact of such conditions and other factors on Matrix's AUM, the continuation of portfolio and fund management and advisory engagements and the outcomes of tax filings and pending litigation. While management considers these beliefs and assumptions to be reasonable based on information currently available to it, they are subject to numerous risks and uncertainties and no assurance can be given that such beliefs and assumptions will prove to be correct. Accordingly, actual results may differ significantly from those expressed or implied by forward-looking statements due to many factors including, but not limited to, risks associated with institutional, mutual fund and venture capital fund management sectors generally, market, economic, political and other risks affecting portfolio performance, interest and foreign exchange rates, managed fund sales and redemptions and in turn Matrix's AUM, revenues and earnings, tax risks, litigation risk and other risks and uncertainties listed under "Risks Factors", many of which are beyond the control of Matrix.

Readers are cautioned that the assumptions and risks noted in this AIF are not exhaustive of the factors that may affect any of the Company's forward-looking statements. Readers are also cautioned to consider these and other risks, uncertainties and potential events carefully and not place undue reliance on forward-looking statements. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or other factors.

II. CORPORATE STRUCTURE

Name, Address & Formation

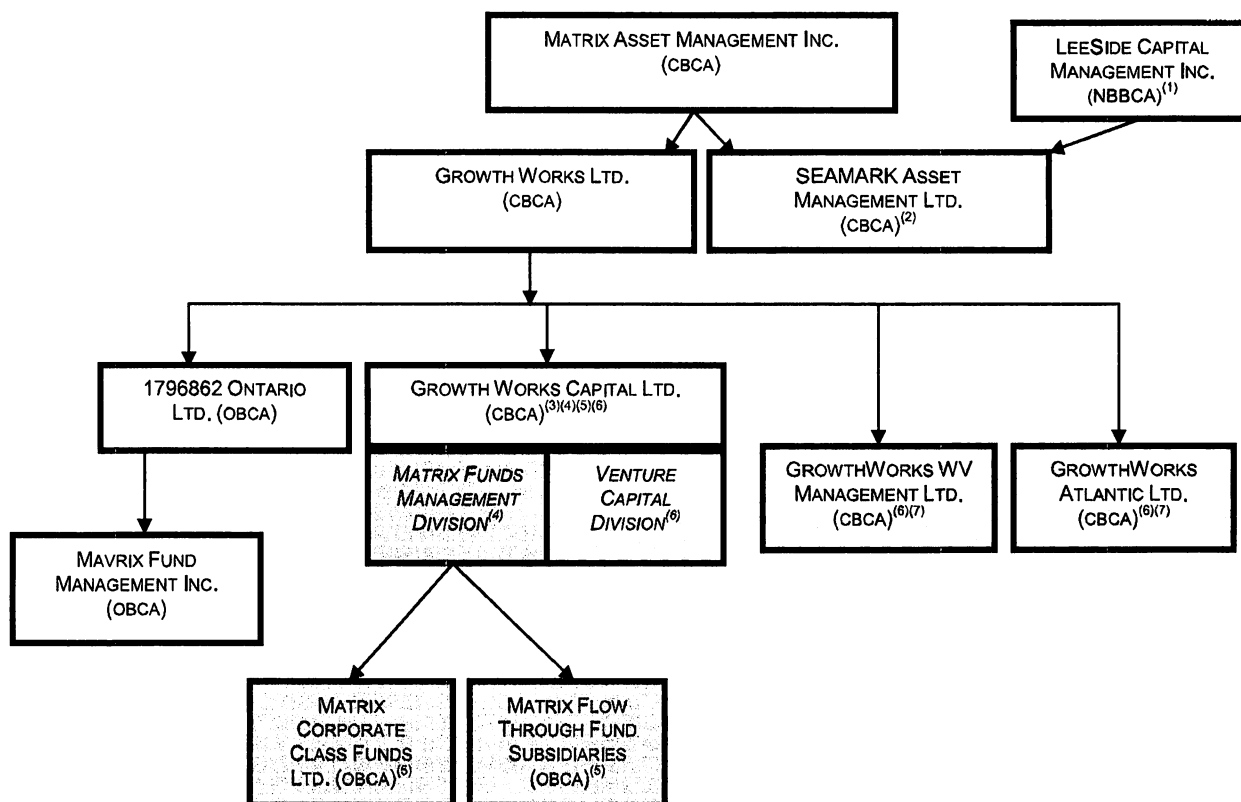
Matrix was incorporated on October 30, 2009 as “Matrix Asset Management Ltd.” pursuant to the provisions of the *Canada Business Corporation Act* (“CBCA”). On November 23, 2009, the Company amended its articles to change its name to “Matrix Asset Management Inc.” and to authorize the issuance of an unlimited number of preferred shares from time to time in one or more series. On May 19, 2011, the articles of the Company were amended to change the name of the Company from “Matrix Asset Management Inc.” to “Matrix Asset Management Inc. / Matrix Gestion d’actifs inc.” so as to include the French name of the Company. The registered and records office of Matrix are located at Suite 310, 1801 Hollis Street, Halifax, Nova Scotia, Canada, B3J 3N4.

Matrix has five offices across Canada in the following cities: Vancouver, Toronto, Montreal, Halifax, and Fredericton. The Vancouver, Toronto and Halifax offices are primary offices. The Fredericton office is scheduled to close in April 2013.

Matrix became listed on the Toronto Stock Exchange (the “TSX”) on January 15, 2010 following a statutory plan of arrangement (the “Arrangement”) and a business combination (the “Business Combination”) among Matrix, Growth Works Ltd. (“GrowthWorks”) and SEAMARK Asset Management Ltd. (“SEAMARK”). Matrix and SEAMARK effected the Arrangement pursuant to the provisions of the CBCA whereby all of the outstanding common shares of SEAMARK (the “SEAMARK Common Shares”) were exchanged for common shares of Matrix (the “Matrix Common Shares”), and SEAMARK became a wholly-owned subsidiary of Matrix. The Arrangement was approved by the Supreme Court of Nova Scotia on January 11, 2010, and became effective on January 15, 2010. Following the Arrangement, also on January 15, 2010, Matrix completed the Business Combination whereby all of the outstanding common shares of GrowthWorks (the “GrowthWorks Common Shares”) were exchanged for Matrix Common Shares, and GrowthWorks became a wholly-owned subsidiary of Matrix. See “General Development of the Business – 2010 Arrangement & Business Combination”.

Intercorporate Relationships

The principal business of the Company is carried on through its subsidiaries. The following chart depicts the corporate structure of the Company together with the jurisdiction of each of the Company’s material subsidiaries. Except as noted below, all of the subsidiaries are wholly-owned either directly by Matrix or indirectly through one of its subsidiaries.



Notes:

"CBCA" means the Canada Business Corporations Act and "OBCA" means the Ontario Business Corporations Act.

- (1) LeeSide owns 300 Class A Non-Voting Participating shares in the capital of SEAMARK that provide LeeSide with a non-voting equity interest in Matrix's institutional and high net worth operating division, the value of which is up to 35% of the value of new business generated within this division after April 10, 2012. The remaining equity interest resides with Matrix.
- (2) SEAMARK is registered under securities laws as follows: (a) portfolio manager – all provinces; (b) exempt market dealer – all provinces; (c) investment fund manager – British Columbia, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador.
- (3) Growth Works Capital Ltd. is registered under securities laws as follows: (a) portfolio manager – British Columbia, Saskatchewan, Manitoba, Ontario and Nova Scotia; (b) exempt market dealer – British Columbia and Ontario; (c) mutual fund dealer – British Columbia, Saskatchewan, Ontario and Nova Scotia; (d) investment fund manager – British Columbia.
- (4) Matrix Funds Management is an operating division within GrowthWorks Capital Ltd. The Matrix Funds Management operating division is responsible for the day to day management of the Matrix Funds, which include mutual funds, corporate class funds and flow through limited partnerships. Growth Works Capital Ltd. is the registered portfolio manager of these entities. See "General Development of the Business – Matrix Funds".
- (5) In connection with its Matrix Funds Management division, Growth Works Capital Ltd. owns all of the common shares of Matrix Corporate Class Funds Ltd., a corporate mutual fund of which the public owns all of the other shares. Five other Growth Works Capital Ltd. subsidiaries are general partners of flow through limited partnerships managed by the Matrix Funds Management operating division: Matrix 2011-I National and Québec Flow Through Management Limited; Matrix 2011-II National and Québec Flow Through Management Limited; Matrix 2012-I National and Québec Flow Through Management Limited; Matrix 2012 Enhanced Short Duration National and Québec Flow Through Management Limited; and Matrix 2013 Short Duration National and Québec Flow Through Management Limited.
- (6) The Venture Capital Division of Growth Works Capital Ltd. specializes in the management of regionally based venture capital funds. Growth Works Capital Ltd. is the manager of Working Opportunity Fund (EVCC) Ltd. and provides management and investment management services to GrowthWorks Canadian Fund Ltd., GrowthWorks Commercialization Fund Ltd. and GrowthWorks Atlantic Venture Fund Ltd. GrowthWorks WV Management Ltd. is the manager of GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd. Growth Works Atlantic Ltd. is the manager of Growth Works Atlantic Venture Fund Ltd. Management services are provided under management agreements between members of the Venture Capital Division and the venture capital funds.
- (7) Matrix's wholly-owned subsidiary, Growth Works Ltd., holds all of the equity securities and 499 (49.9%) of the voting securities of each of GrowthWorks WV Management Ltd. and Growth Works Atlantic Ltd., with the remaining 501 (50.1%) of the voting securities being held by David Levi and Working Enterprises Ltd. The voting securities of those two entities held by David Levi and Working Enterprises Ltd. are voting only and have no economic participation of any kind. The voting arrangement is to provide additional comfort to the sponsor of the particular venture capital funds managed by those entities. Mr. Levi is the President and Chief Executive Officer of Matrix and Growth Works Ltd. Working Enterprises Ltd. is the largest shareholder of Matrix.

III. GENERAL DEVELOPMENT OF THE BUSINESS

Introduction

Matrix is a diversified asset and wealth management company serving institutional, high net worth and retail client groups from offices across Canada with approximately \$1.1 billion in AUM as at December 31, 2012. The Company's mission is to provide a diverse array of investment choices and the best possible investment management service to Canadian investors and institutions.

2012 was the third operating year for Matrix. The operations of SEAMARK and GrowthWorks were combined under the Arrangement and the Business Combination resulting in the formation of Matrix as detailed below under "2010 Arrangement & Business Combination". The Matrix Funds, managed by a subsidiary of GrowthWorks, were re-branded in 2010 as detailed below under "Matrix Funds". As a result of these activities, Matrix offers investment services through three operating units:

- Institutional asset management, operated through SEAMARK, which offers portfolio management to institutional and high net worth private clients;
- Mutual and specialty fund management, which manages the "Matrix Funds" distributed through investment dealers and financial planners across Canada; and
- Venture capital and private equity, operated through GrowthWorks, which manages funds in the venture capital and private equity sector for individual and institutional investors.

These operating units are divided into two reportable segments under GAAP as detailed under "Description of Business".

2012 was a difficult fiscal year for Matrix with declines in AUM and revenue outpacing declines in expenses. The continuation of the Company as a going concern is dependent on the Company's ability to re-pay, re-finance or re-structure debt obligations, timely collection of fund management fees and incentive participation dividends, which in turn depends on the liquidity of managed funds, the outcome of regulatory filings and reviews, collection of tax refunds and the timing and completion of any future strategic transactions, including possible acquisition or disposition transactions. Management is evaluating several strategic options for reducing the Company's working capital deficit and improving the Company's operating results, including acquisitions and possible dispositions of assets or operating divisions that are not generating positive results. Management's cash flow forecasts indicate that the Company is expected to have resources available to continue to operate as a going concern into the foreseeable future, however these forecasts are based on a number of assumptions with respect to future cash flows. Material uncertainty surrounding these assumptions may cast significant doubt on the ability of Matrix to continue as a going concern and to continue to discharge its liabilities in the normal course of business. See "Risk Factors"

Matrix will continue to seek to attract additional AUM by competing for new investment mandates and positioning its investment fund offerings to meet the current needs of investors, including the continuing demand for equity income products. Strategic assessment and planning to strengthen its mandates and offerings were a particular focus in 2012. The Company also expects to realize additional operating efficiencies over the coming quarters as it continues to optimize its diversified asset management platform. Lastly, the Company continues to actively seek out strategic transactions aimed at improving Matrix's operating results and financial condition.

Acquisitions

On April 10, 2012, SEAMARK announced that it successfully completed its previously announced transaction with LeeSide Capital Inc. ("LeeSide") whereby the three founders of LeeSide, Robert (Bob) McKim, George Loughery and Don Wishart, rejoined SEAMARK as senior officers where they spent a collective 40 years prior to forming LeeSide. Under the agreement, SEAMARK also acquired LeeSide's

assets under management. As part of the transaction, SEAMARK will pay LeeSide on April 10, 2014, 0.8% of the value of the transferred assets under management retained as at December 31, 2012. SEAMARK has also issued LeeSide 300 Class A Non-Voting Participating shares in the capital of SEAMARK that provide LeeSide with a non-voting equity interest in the growth of Matrix's institutional and high net worth operating division generated after closing. The remaining equity interest resides with Matrix.

Borrowing Transactions

On May 18, 2012, Matrix announced that GrowthWorks WV Management Ltd. ("GWWV"), one of the companies in the Matrix group of companies, entered into a loan agreement with an arm's length private company (the "Third Party Lender") providing for a term loan in the amount of \$4,000,000. The loan matures on July 31, 2014 (the "Maturity Date") and is repayable in three installment payments on July 31, 2013, January 31, 2014 and July 31, 2014. The loan bears interest at an annual rate of 18% per annum until July 31, 2013 and 20% per annum thereafter until the Maturity Date, payable on the Maturity Date. The loan is secured by a charge over all present and after-acquired assets of GWWV. Matrix has provided a guarantee of the loan in favour of the Third Party Lender, as has GrowthWorks. Enforcement of the security granted to the Third Party Lender would likely have a material adverse effect on Matrix's financial condition and future operating results. The proceeds of the loan from the Third Party Lender were used to fund a loan in the same amount to GrowthWorks Canadian Fund Ltd., a GrowthWorks managed venture capital fund (the "Canadian Fund Loan"), in order for GrowthWorks Canadian Fund to pay its operating expenses and complete follow-on investments. The repayment, interest and other terms of the loan from the Third Party Lender and the Canadian Fund Loan are the same. The Canadian Fund Loan is secured by a charge over GrowthWorks Canadian Fund's chargeable assets and proceeds derived from non-chargeable assets.

Matrix has been seeking medium-term working capital financing to provide further time for organic growth initiatives and cost alignment measures to take hold and to pursue growth opportunities. To this end, on August 7, 2012, the Board of Directors approved Matrix raising up to \$2.0 million through term loan arrangements, including with insiders of Matrix. During the third quarter of 2012, Matrix raised \$275,000 and \$300,000 under term loans advanced by David Levi, the President & Chief Executive Officer and a principal shareholder of Matrix, and Working Enterprises Ltd., another principal shareholder of Matrix. These two loans are evidenced by unsecured promissory notes that mature on the earlier of October 31, 2013 and the date of closing of a transaction by Matrix or any of its subsidiaries resulting in cash proceeds to Matrix of \$7 million or more. The notes bear interest at a rate of 8.0% per annum, calculated and compounded monthly. These terms may be adjusted to match terms negotiated with additional third party lenders, although maturity dates may vary by lender. There can be no assurance as to the amount of capital that will be raised through these arrangements. During the fourth quarter of 2012, the Company obtained a third party loan of \$0.8 million due April 2013 and advanced the proceeds of the loan to Matrix Enhanced Short Duration FTLP to fund issuance costs incurred by this fund. The loan to the Company bears interest at prime plus 3.75%, or a fixed rate of 6.75%, and is secured by a charge over a loan made to the fund. The loan from the Company to the fund matures in April 2013, bears interest at prime plus 3.75% and is secured by the assets of the fund.

See also "Risk Factors – Financial Condition and Liquidity of the Company" and "Description of Capital Structure – Loan Capital".

Proposed Transaction

On February 13, 2013, Matrix and Marquest Asset Management Inc. ("Marquest") announced that they signed a Letter of Intent to pursue a business combination whereby privately-held Marquest will combine with Matrix by way of a share exchange. Marquest shareholders are expected to receive treasury common shares of Matrix totaling up to 35% of Matrix's issued shares, post-closing, in exchange for all shares of Marquest. Marquest's capital markets business will be spun-off to Marquest's existing shareholders. Under the Letter of Intent, Matrix and Marquest have agreed to use their best efforts, on a timely basis, to take all steps necessary to close the transaction, which is scheduled for mid to late April,

2013. The transaction remains subject to customary closing conditions, including obtaining shareholder, stock exchange and regulatory approval. There can be no assurance that the transaction will be completed within the timeframe contemplated or at all.

2010 Arrangement & Business Combination

On October 28, 2009, SEAMARK and GrowthWorks entered into a business combination agreement providing for the Business Combination and resulting in the combination of their businesses. Upon completion of the Business Combination on January 15, 2010, SEAMARK and GrowthWorks became wholly-owned subsidiaries of Matrix and Matrix became listed on the TSX trading under the stock symbol "MTA".

In accordance with the terms of the Arrangement, all of the outstanding SEAMARK Common Shares were exchanged for Matrix Common Shares on a one-for-one basis. Immediately following the Arrangement, Matrix completed the Business Combination with the shareholders of GrowthWorks resulting in the exchange of all the outstanding GrowthWorks Common Shares for Matrix Common Shares on a 1 to 3.0409 basis. On the closing of the Business Combination, the Matrix Common Shares issued to former shareholders of GrowthWorks (the "Acquisition Shares") represented 75% of the issued and outstanding Matrix Common Shares. The Acquisition Shares were issued into escrow and as at December 31, 2012 approximately 59.3% of the Acquisition Shares had been released from escrow, with the balance to be released on or before January 16, 2014. Matrix was required under GAAP to account for the Business Combination as a reverse takeover with GrowthWorks as the acquirer and SEAMARK and Matrix as acquirees. See "Escrowed Securities – Business Combination Escrow".

A new board of directors of Matrix (the "Board") was elected at the time of the Business Combination, whose membership includes previous directors on the boards of SEAMARK and GrowthWorks prior to the Business Combination. See "Directors and Executive Officers".

Matrix Funds

On June 30, 2009, GrowthWorks, through a wholly-owned subsidiary, completed the acquisition of all of the issued and outstanding common shares of Mavrix Funds Management Inc. ("Mavrix") effected by way of a statutory plan of arrangement under the OBCA. Mavrix's primary business was managing the "Mavrix Mutual Funds" and providing consulting and portfolio management services to the "Mavrix Specialty Funds". At the time of the Business Combination, SEAMARK was the manager of the "SEAMARK Mutual Funds".

In July 2010, the Mavrix Mutual Funds and the SEAMARK Mutual Funds were re-organized and re-branded as the "Matrix Funds". The manager of the re-branded Matrix Funds and the Mavrix Specialty Funds was changed to the Matrix Funds Management operating division*, thereby resulting in management of these investment funds being consolidated and streamlined within the Matrix group of companies.

* The Matrix Funds Management operating division is an operating division of Growth Works Capital Ltd. See "Corporate Structure – Intercorporate Relationships" above.

IV. DESCRIPTION OF THE BUSINESS

Matrix's three operating units are divided into two reportable segments under GAAP: (i) Institutional & High Net Worth ("Institutional"), and (ii) Retail. Matrix has a third reportable segment, Corporate/Other, which consists of expenses not attributable to the Institutional or Retail segments, has no AUM and generates no revenue. The Institutional and Retail segments generate revenues from investment management and advisory services and involve the management and marketing of investment products and/or portfolio management services. The SEAMARK business unit is the principal operator in the Institutional reportable segment. GrowthWorks Capital Ltd. (through its operating division Matrix Funds



Annual Information Form

For the year ended December 31, 2011

March 30, 2012

I. PRELIMINARY NOTES AND CAUTIONARY STATEMENT

Date of Information & References

In this Annual Information Form ("AIF"), information is given as at December 31, 2011, unless stated otherwise. References to "Matrix" or the "Company" mean Matrix Asset Management Inc. and include, as the context requires, its subsidiaries.

All financial information in this AIF is prepared in accordance with International Financial Reporting Standards ("IFRS" or also referred to as generally accepted accounting principles, or "GAAP") in Canadian dollars

Forward Looking Statements

Certain statements in this AIF are forward-looking statements based on beliefs, assumptions and expectations of the Company and not on historical fact. Forward-looking statements are provided to present information about management's current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, dividends and dividend policies, performance, targeted acquisitions, prospects, opportunities, new products, priorities, goals, strategies and outlook of the Company for the current financial year. Forward-looking statements include statements that are predictive in nature or depend upon or refer to future events or conditions.

Forward-looking statements are based upon beliefs and assumptions that were applied in drawing a conclusion or making an estimate, forecast or projection as reflected in the forward-looking statements, including the perception of historical trends and current conditions and beliefs and assumptions with respect to levels of assets under management ("AUM") and expenses and related assumptions as to levels of portfolio returns and managed fund sales and redemptions, beliefs and assumptions concerning prevailing and future economic and market conditions and the impact of such conditions and other factors on Matrix's AUM, the continuation of portfolio and fund management and advisory engagements. While management considers these beliefs and assumptions to be reasonable based on information currently available to it, they are subject to numerous risks and uncertainties and no assurance can be given that such beliefs and assumptions will prove to be correct. Accordingly, actual results may differ significantly from those expressed or implied by forward-looking statements due to many factors including, but not limited to, risks associated with institutional, mutual fund and venture capital fund management sectors generally, market, economic, political and other risks affecting portfolio performance, interest and foreign exchange rates, managed fund sales and redemptions and in turn Matrix's AUM, revenues and earnings and other risks and uncertainties listed under "Risks Factors", many of which are beyond the control of Matrix.

Readers are cautioned that the assumptions and risks noted in this AIF are not exhaustive of the factors that may affect any of the Company's forward-looking statements. Readers are also cautioned to consider these and other risks, uncertainties and potential events carefully and not place undue reliance on forward-looking statements. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or other factors.

II. CORPORATE STRUCTURE

Name, Address & Formation

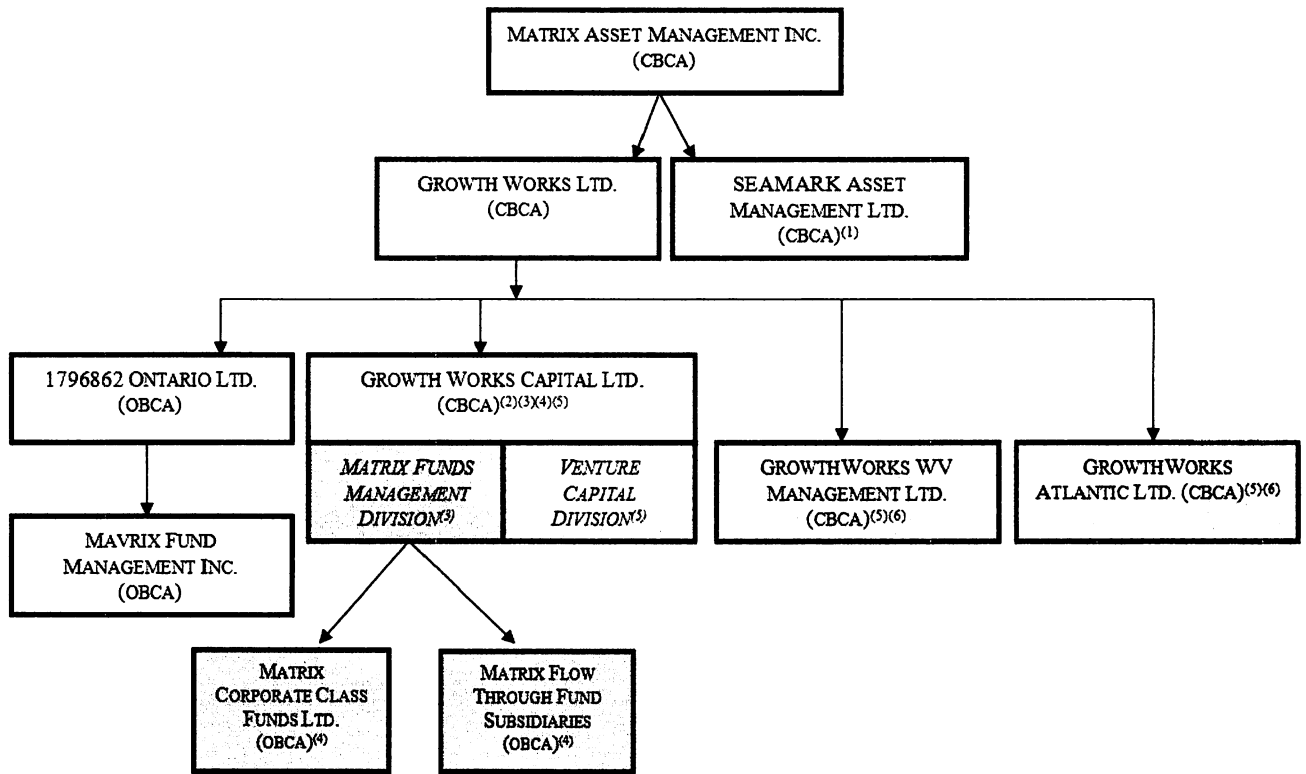
Matrix was incorporated on October 30, 2009 as “Matrix Asset Management Ltd.” pursuant to the provisions of the *Canada Business Corporation Act* (“CBCA”). On November 23, 2009, the Company amended its articles to change its name to “Matrix Asset Management Inc.” and to authorize the issuance of an unlimited number of preferred shares from time to time in one or more series. On May 19, 2011, the articles of the Company were amended to change the name of the Company from “Matrix Asset Management Inc.” to “Matrix Asset Management Inc. / Matrix Gestion d’actifs inc.” so as to include the French name of the Company. The registered and records office of Matrix are located at Suite 310, 1801 Hollis Street, Halifax, Nova Scotia, Canada, B3J 3N4.

Matrix has seven offices across Canada in the following cities: Vancouver, Winnipeg, Toronto, Montreal, Halifax, Fredericton, and St. John’s. The Vancouver, Toronto and Halifax offices are primary offices.

Matrix became listed on the Toronto Stock Exchange (the “TSX”) on January 15, 2010 following a statutory plan of arrangement (the “Arrangement”) and a business combination (the “Business Combination”) among Matrix, Growth Works Ltd. (“GrowthWorks”) and SEAMARK Asset Management Ltd. (“SEAMARK”). Matrix and SEAMARK effected the Arrangement pursuant to the provisions of the CBCA whereby all of the outstanding common shares of SEAMARK (the “SEAMARK Common Shares”) were exchanged for common shares of Matrix (the “Matrix Common Shares”), and SEAMARK became a wholly-owned subsidiary of Matrix. The Arrangement was approved by the Supreme Court of Nova Scotia on January 11, 2010, and became effective on January 15, 2010. Following the Arrangement, also on January 15, 2010, Matrix completed the Business Combination whereby all of the outstanding common shares of GrowthWorks (the “GrowthWorks Common Shares”) were exchanged for Matrix Common Shares, and GrowthWorks became a wholly-owned subsidiary of Matrix. See “General Development of the Business – Arrangement & Business Combination”.

Intercorporate Relationships

The principal business of the Company is carried on through its subsidiaries. The following chart depicts the corporate structure of the Company together with the jurisdiction of each of the Company’s material subsidiaries. Except as noted below, all of the subsidiaries are wholly-owned either directly by Matrix or indirectly through one of its subsidiaries.



Notes:

"CBCA" means the Canada Business Corporations Act and "OBCA" means the Ontario Business Corporations Act.

- (1) SEAMARK is registered under securities laws as follows: (a) portfolio manager – all provinces; (b) exempt market dealer – all provinces; (c) investment fund manager – Nova Scotia.
- (2) Growth Works Capital Ltd. is registered under securities laws as follows: (a) portfolio manager – British Columbia, Saskatchewan, Manitoba, Ontario and Nova Scotia; (b) exempt market dealer – British Columbia and Ontario; (c) mutual fund dealer – British Columbia, Saskatchewan, Ontario and Nova Scotia; (d) investment fund manager – British Columbia.
- (3) Matrix Funds Management is the manager of the Matrix Funds, which include mutual funds, corporate class funds and flow through limited partnerships, and is a division of Growth Works Capital Ltd. See "General Development of the Business – Matrix Funds".
- (4) In connection with its Matrix Funds Management division, Growth Works Capital Ltd. owns all of the common shares of Matrix Corporate Class Funds Ltd., a corporate mutual fund of which the public owns all of the other shares. Four other Growth Works Capital Ltd. subsidiaries are general partners of Matrix Funds Management flow through limited partnerships: Matrix 2011-I National and Québec Flow Through Management Limited; Matrix 2011-II National and Québec Flow Through Management Limited; and Matrix 2012-I National and Québec Flow Through Management Limited.
- (5) The Venture Capital Division of Growth Works Capital Ltd. specializes in the management of regionally based venture capital funds. Growth Works Capital Ltd. is the manager of Working Opportunity Fund (EVCC) Ltd. and provides management and investment management services to GrowthWorks Canadian Fund Ltd., GrowthWorks Commercialization Fund Ltd. and GrowthWorks Atlantic Venture Fund Ltd. GrowthWorks WV Management Ltd. is the manager of GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd. Growth Works Atlantic Ltd. is the manager of Growth Works Atlantic Venture Fund Ltd. Management services are provided under management agreements between members of the Venture Capital Division and the venture capital funds.
- (6) Matrix's wholly-owned subsidiary, Growth Works Ltd., holds all of the equity securities and slightly less than half of the voting securities of each of GrowthWorks WV Management Ltd. and Growth Works Atlantic Ltd., with the remainder of the voting securities being held by David Levi and Working Enterprises Ltd. The voting securities of those two entities held by David Levi and Working Enterprises Ltd. are voting only and have no economic participation of any kind. The voting arrangement is to provide additional comfort to the sponsor of the particular venture capital funds managed by those entities. Mr. Levi is the President and Chief Executive Officer of Matrix and Growth Works Ltd. Working Enterprises Ltd. is the largest shareholder of Matrix.

III. GENERAL DEVELOPMENT OF THE BUSINESS

Introduction

Matrix is a diversified asset and wealth management company serving institutional, high net worth and retail client groups from offices across Canada with approximately \$1.6 billion in AUM as at December 31, 2011. The Company's mission is to provide a diverse array of investment choices and the best possible investment management service to Canadian investors and institutions.

2011 was the second operating year for Matrix. The operations of SEAMARK and GrowthWorks were combined under the Arrangement and the Business Combination resulting in the formation of Matrix as detailed below under "Arrangement & Business Combination". The Matrix Funds, managed by a subsidiary of GrowthWorks, were re-branded in 2010 as detailed below under "Matrix Funds". As a result of these activities, Matrix offers investment services through three operating units:

- Institutional asset management, operated through SEAMARK, which offers portfolio management to institutional and high net worth private clients, including through managed portfolio advisory ("wrap") programs of leading Canadian investment dealers;
- Mutual and specialty fund management, which manages the "Matrix Funds" distributed through investment dealers and financial planners across Canada; and
- Venture capital and private equity, operated through GrowthWorks, which manages funds in the venture capital and private equity sector for individual and institutional investors.

These operating units are divided into two reportable segments under GAAP as detailed under "Description of Business".

Matrix will continue to seek to attract additional AUM by competing for new investment mandates and positioning its investment fund offerings to meet the current needs of investors. Strategic assessment and planning to strengthen its mandates and offerings were a particular focus in 2011. In particular, the Company has sought to introduce innovative new growth and income investment products that can provide value-added features for investors and utilize its best portfolio management resources to attract additional AUM. The Company also realized additional operating efficiencies over the course of the year as it continued to integrate its diversified asset management platform. Lastly, the Company continues to actively seek out acquisitions that will help grow its diversified asset management business. During 2011, the Company launched four new mutual funds. In November 2011, Matrix completed a strategic investment in First Affiliated Holdings Inc. ("First Affiliated") whereby Matrix provided growth capital to First Affiliated and a wholly-owned subsidiary of Matrix was granted options to acquire equity interests of First Affiliated. First Affiliated is a Canadian Multi-Family Office (MFO) providing integrated wealth, lifestyle and legacy management services to families and business owners.

On March 5, 2012, SEAMARK announced that it had entered into an agreement with LeeSide Capital Inc. ("LeeSide") whereby the three founders of LeeSide, Robert (Bob) McKim, George Loughery and Don Wishart, would rejoin SEAMARK where they spent a collective 40 years prior to forming LeeSide. Under the agreement, SEAMARK will also acquire LeeSide's assets under management. As part of the transaction, LeeSide will be paid 0.80% of the value of the assets under management of LeeSide that move to and are retained by SEAMARK and will receive non-voting shares of SEAMARK that will have a redemption value that approximates 35% of the value of new business generated after closing. These shares may be redeemed in whole or in part in certain circumstances and, at the election of LeeSide and subject to TSX approval, the redemption price may be satisfied by issuing Matrix Common Shares. In connection with the transaction, it is expected that SEAMARK will change its name to LeeSide Capital Management Inc. The transaction remains subject to regulatory approval and other conditions. There can be no assurance that the transaction will be completed within the timeframe contemplated or at all.

Arrangement & Business Combination

On October 28, 2009, SEAMARK and GrowthWorks entered into a business combination agreement providing for the Business Combination and resulting in the combination of their businesses. Upon completion of the Business Combination on January 15, 2010, SEAMARK and GrowthWorks became wholly-owned subsidiaries of Matrix and Matrix became listed on the TSX trading under the stock symbol "MTA".

In accordance with the terms of the Arrangement, all of the outstanding SEAMARK Common Shares were exchanged for Matrix Common Shares on a one-for-one basis. Immediately following the Arrangement, Matrix completed the Business Combination with the shareholders of GrowthWorks resulting in the exchange of all the outstanding GrowthWorks Common Shares for Matrix Common Shares on a 1 to 3.0409 basis. On the closing of the Business Combination, the Matrix Common Shares issued to former shareholders of GrowthWorks (the "Acquisition Shares") represented 75% of the issued and outstanding Matrix Common Shares. The Acquisition Shares were issued into escrow and as at December 31, 2011 approximately 22.8% of the Acquisition Shares had been released from escrow, with the balance to be released on or before January 16, 2014. Matrix was required under GAAP to account for the Business Combination as a reverse takeover with GrowthWorks as the acquirer and SEAMARK and Matrix as acquirees.

A new board of directors of Matrix (the "Board") was elected at the time of the Business Combination, whose membership includes previous directors on the boards of SEAMARK and GrowthWorks prior to the Business Combination. See "Directors and Executive Officers".

Matrix Funds

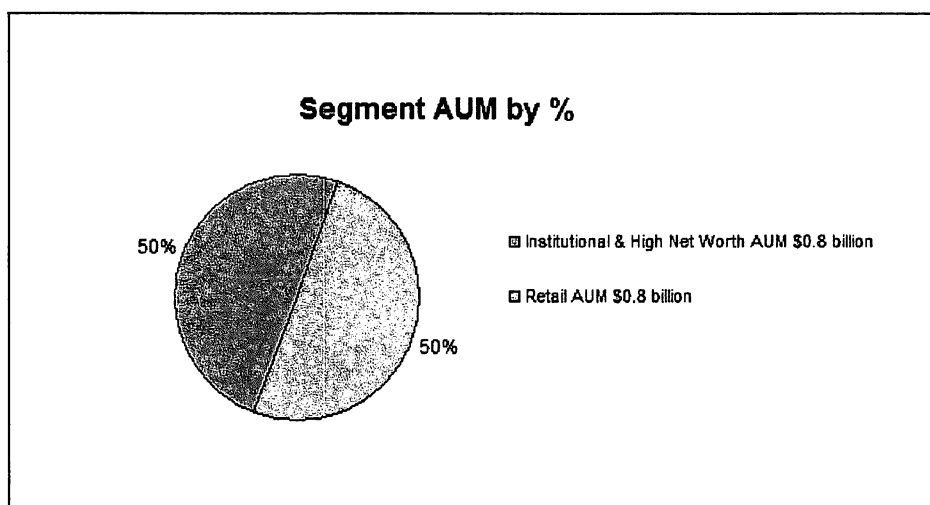
On June 30, 2009, GrowthWorks, through a wholly-owned subsidiary, completed the acquisition of all of the issued and outstanding common shares of Mavrix Funds Management Inc. ("Mavrix") effected by way of a statutory plan of arrangement under the OBCA. Mavrix's primary business was managing the "Mavrix Mutual Funds" and providing consulting and portfolio management services to the "Mavrix Specialty Funds". At the time of the Business Combination, SEAMARK was the manager of the "SEAMARK Mutual Funds".

In July 2010, the Mavrix Mutual Funds and the SEAMARK Mutual Funds were re-organized and re-branded as the "Matrix Funds". The manager of the re-branded Matrix Funds and the Mavrix Specialty Funds was changed to Matrix Funds Management*, thereby resulting in management of these investment funds being consolidated and streamlined within the Matrix group of companies.

* Matrix Funds Management is a division of Growth Works Capital Ltd. See "Corporate Structure – Intercorporate Relationships" above.

IV. DESCRIPTION OF THE BUSINESS

Matrix's three operating units are divided into two reportable segments under GAAP: (i) Institutional & High Net Worth ("Institutional"), and (ii) Retail. Matrix has a third reportable segment, Corporate/Other, which consists of expenses not attributable to the Institutional or Retail segments, has no AUM and generates no revenue. The Institutional and Retail segments generate revenues from investment management and advisory services and involve the management and marketing of investment products and/or portfolio management services. The SEAMARK business unit is the principal operator in the Institutional reportable segment. Matrix Funds Management and GrowthWorks principally operate in the Retail segment. The distinction between these two reportable segments is based on the nature of the clients served, and the business and regulatory environment in which operations are undertaken. AUM by segment as at December 31, 2011 is set out in the following chart:



Matrix typically earns revenues from fees based on the net asset value of assets managed for clients. In the venture capital / private equity division, the Company can also generate revenue from carried interest payments / incentive participation dividends paid by managed funds on particularly successful investments. These are typically 20% of realized gains and income, and are paid if portfolio and investment-specific returns exceed a number of minimum return thresholds. For more detail, please see "Retail – GrowthWorks Funds – Revenue". The following table shows revenue attributable to the Institutional and Retail segments:

	Institutional	Retail	Total
Revenue for twelve months ended December 31, 2010 (in thousands)	\$3,250	\$33,321	\$36,481
Revenue for twelve months ended December 31, 2011 (in thousands)	\$2,751	\$27,926	\$30,677

As of December 31, 2011, the Company employed 111 people across its reportable segments. 19 of those employees were associated with the Institutional segment. The Company's ability to offer its investment management services depends on its employment of investment professionals who meet the requirements of securities regulators with respect to industry experience and educational qualifications. The requirements of securities regulators in this regard are substantially similar across Canada. Failure to employ investment professionals meeting these requirements would effectively prevent the Company from being able to offer its investment management services.

The Company's ability to continue to attract investment professionals depends primarily on the overall demand for such professionals in the industry and the Company's ability to provide competitive compensation packages.

Institutional & High Net Worth Segment

This reportable segment is almost entirely attributable to the SEAMARK operating unit which serves both institutional clients and private clients. The GrowthWorks operating unit minimally contributes to this segment through exempt product venture capital funds for high net worth investors.

Institutional clients include pensions, endowments, and other funds managed on behalf of institutions (corporations, municipalities, and not-for-profit societies), including group retirement plans administered by life insurance companies. SEAMARK provides discretionary portfolio management services either directly to these clients or, in the case of group retirement plans, indirectly through the plan administrator.

SEAMARK's private client operations typically include the management of assets on behalf of high net worth individuals who have a direct client relationship with SEAMARK.

GrowthWorks, through its affiliates, manages three institutional and high net worth venture capital funds. These are mature, private funds launched some time ago. The revenue generated under this division is not material and as of December 31, 2011 these funds had combined net assets of approximately \$1 million. None of these funds is currently raising investment capital. However, GrowthWorks believes the current venture capital market conditions in Canada may present greater opportunities for establishing new institutional and high net worth venture capital funds and it intends to take advantage of such opportunities.

SEAMARK acts as manager and trustee for a family of pooled funds (the "Pooled Funds"). The Pooled Funds are maintained in order to allow institutional and private clients the opportunity to realize cost efficiencies by obtaining SEAMARK's investment management services through pooled funds rather than through investment in individual securities held in a custodial account. The Pooled Funds are as follows:

- SEAMARK Pooled Money Market Fund
- SEAMARK Pooled Balanced Fund
- SEAMARK Pooled Canadian Bond Fund
- SEAMARK Pooled Canadian Equity Fund
- SEAMARK Pooled US Equity Fund
- SEAMARK Pooled International Equity Fund
- SEAMARK Pooled Foreign Equity Fund
- SEAMARK Pooled Small Cap Fund

The Pooled Funds are generally used in three circumstances:

- For smaller portfolios (generally less than \$10 million) where the use of Pooled Funds can reduce the client's overall administrative costs.
- For multi-asset class portfolios where the use of Pooled Funds in conjunction with individual securities can increase the diversification of the portfolio in a cost effective manner (for example, the use of the Pooled Money Market Fund for the investment of the client's current cash on hand, the use of the Pooled Small Cap Fund as part of the client's Canadian equity portfolio, or the use of the Pooled International Equity Fund as part of a balanced mandate).
- For group retirement programs such as those offered by insurance companies, where the administering institution wishes to be able to offer SEAMARK's investment services to its clients through investing in the Pooled Funds.

Competitive conditions

Management considers the Canadian investment management industry to be highly competitive. Differentiation within the industry is generally accomplished by three factors: investment approach and performance, quality of service, and pricing.

SEAMARK's approach to investment management is based on certain principles and decision-making processes that collectively define SEAMARK's investment style and differentiate it from its competitors. SEAMARK's investment approach has generated strong long-term investment returns for its clients. Management believes long-term investment performance and consistency of investment approach are most important in gaining additional assets from institutional clients.

Short-term performance, in both absolute terms and relative to other investment managers, varies more frequently than long-term performance. SEAMARK believes it is therefore more difficult to maintain a competitive advantage in short-term performance.

Quality of service, independent of investment approach and performance, is an important factor in retaining client assets. SEAMARK's service model makes its portfolio managers directly accessible to its clients, a factor that helps differentiate SEAMARK from some of its competitors. Management places special emphasis on maintaining the quality of client service.

SEAMARK's cost structure has historically allowed it to price its services competitively relative to industry averages while still maintaining attractive operating margins. Management does not expect significantly increased competition on the basis of pricing, but believes that SEAMARK would be able to remain competitive within the industry should such competition develop.

Revenue

SEAMARK generates revenue by charging each client a fee calculated as a percentage of the market value of the client's assets managed by SEAMARK. Institutional revenue is set out above.

In February 2012, SEAMARK was advised that its largest institutional investor, Manulife Financial, intends to discontinue its use of SEAMARK's investment services effective on or about June 14, 2012. The Manulife mandate represented approximately 26.2% of Matrix's overall assets under management as of December 31, 2011, but only 3.0% of the Company's consolidated revenue for the year and quarter ended December 31, 2011.

Regulatory Environment

SEAMARK's head office is located in Halifax, Nova Scotia and its discretionary investment management services are offered directly to qualifying clients resident in each Canadian province. SEAMARK is registered as: (i) an adviser in the category of portfolio manager in all the provinces, (ii) an exempt market dealer in all the provinces, and (iii) an investment fund manager in Nova Scotia.

The Pooled Funds are offered and sold to residents of each of the Canadian provinces pursuant to exemptions from the prospectus requirements under National Instrument 45-106 *Prospectus and Registration Exemptions*.

Retail Segment

The Retail segment includes:

- a) GrowthWorks Retail Venture Capital Funds ("GrowthWorks Funds")
- b) Matrix Funds (Mutual and Specialty)
- c) Wrap Programs

Through the GrowthWorks Funds and the Matrix Funds, Matrix provides investment management and administration services to over 30 investment funds (the "Managed Funds"). The divisions within the retail segment are set out in more detail below.

GrowthWorks Funds

GrowthWorks refers to Growth Works Ltd. and its affiliates providing services to the GrowthWorks Funds. GrowthWorks provides investment management and administration services to several GrowthWorks Funds on a fee for service basis. GrowthWorks has approximately \$431 million in venture capital AUM as of December 31, 2011.

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The following funds represent 99% of the GrowthWorks Funds AUM as of December 31, 2011:

- Working Opportunity Fund (EVCC) Ltd.
- GrowthWorks Canadian Fund Ltd.
- GrowthWorks Commercialization Fund Ltd.
- GrowthWorks Atlantic Venture Fund Ltd.

Investment Management

Investment management services provided by GrowthWorks to the GrowthWorks Funds cover each stage of the venture investment cycle, including:

- sourcing investment opportunities which meet the fund's objectives and investment strategies;
- evaluating venture investment opportunities;
- structuring and negotiating investments;
- managing venture investments; and
- exiting venture investments.

GrowthWorks also manages the GrowthWorks Funds' non-venture investments, either directly or through a liquid funds portfolio manager. Non-venture investments range from high quality debt to equity and equity-linked investments.

Competitive Conditions

GrowthWorks is also responsible for marketing the GrowthWorks Funds and for managing sales of GrowthWorks Funds through registered investment dealers. Like other investment funds whose managers are not affiliated with financial institutions, shares of these GrowthWorks Funds are marketed by GrowthWorks through investment advisors, a highly competitive sales channel. The GrowthWorks Funds pay trailer fees to dealers to assist in providing ongoing service to their clients. GrowthWorks has four outside salespeople and three inside sales people responsible for the distribution of the GrowthWorks Funds across Canada.

Revenue

Revenues in 2011 attributable to the GrowthWorks Funds were \$19,870,000

In accordance with the terms of the respective management contracts with the GrowthWorks Funds, GrowthWorks receives annual management and administration fees based on a percentage of the net asset value or "NAV" of each GrowthWorks Fund. Generally, management fees are approximately 2% of NAV, while base administration fees range from 1.29% to 2.0% of NAV. For certain of the GrowthWorks Funds, the manager is also paid an additional capital retention administration fee of 0.75% or 1.1625% of the original purchase price (or the net asset value for certain shares issued under fund mergers) for shares representing capital invested for less than eight years.

GrowthWorks generally pays most of the operating expenses of the GrowthWorks Funds it manages. This differs from the majority of retail venture capital funds where operating costs are borne by the fund.

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 GrowthWorks Funds, this interest is provided through Class C shares of the funds, known as "IPA Shares", which are held by the manager of the fund. As the holder of IPA Shares, GrowthWorks is entitled to receive dividends, referred to as "IPA Dividends", based on realized gains and income from the fund's venture investments. Depending on the fund, the IPA Dividends range from 15% to 25% of the

realized gains and income from each venture investment. Generally, IPA Dividends are payable only if the following conditions are met at the time of a divestment:

- *Portfolio Test* - the total net realized and unrealized gains and income of the fund from its portfolio of venture investments has generated an annualized rate of return greater than a cumulative annualized rate of return on a five year guaranteed investment certificate plus 2%;
- *Venture Investment Test* - the compounded annual internal rate of return from the venture investment since its acquisition by the fund must equal or exceed 12% per year; and
- *Principal Test* - the fund must have fully received a cash amount at least equal to the principal invested in the venture investment.

Additional conditions may apply for certain funds including in respect of venture investments acquired as a result of certain fund merger transactions. Over the past five years, GrowthWorks has received a total of approximately \$20 million in IPA Dividends. There can be no assurance that GrowthWorks will receive further IPA Dividends in the future.

Regulatory Environment

Growth Works Capital Ltd. is registered under securities laws as: (i) a portfolio manager in British Columbia, Saskatchewan, Manitoba, Ontario and Nova Scotia, (ii) an exempt market dealer in British Columbia and Ontario, (iii) a mutual fund dealer in British Columbia, Saskatchewan, Ontario and Nova Scotia; and (iv) an investment fund manager in British Columbia.

Each of the GrowthWorks Funds is a reporting issuer under applicable securities laws. As such, the GrowthWorks Funds are subject to financial statement filing, shareholder reporting and other continuous disclosure requirements. Under the management contracts, GrowthWorks is responsible for managing compliance with these and other requirements applicable to the GrowthWorks Funds.

Each of the GrowthWorks Funds is also registered or prescribed as a labour-sponsored venture capital corporation under the *Income Tax Act (Canada)* (the "Tax Act") and is similarly registered, prescribed or approved under labour-sponsored investment fund legislation in one or more provinces. These registrations or prescriptions allow retail venture capital funds to offer tax credits to eligible investors where the funds' are registered or prescribed. In exchange for the ability to offer these tax credits, the federal government and/or the provinces that offer a provincial tax credit require that the funds make investments in accordance with what are referred to in the retail venture capital industry as "investment pacing" requirements. These requirements prescribe the types of businesses that funds must invest in and timeframes in which minimum percentages of capital raised must be invested. GrowthWorks monitors compliance with these investment pacing requirements as part of the investment management services provided to the GrowthWorks Funds. If a fund fails to meet its investment pacing requirements, the fund may have to pay penalty taxes and ultimately could lose its registered, prescribed or approved status in one or more jurisdictions.

During the year ended December 31, 2011, GrowthWorks Canadian Fund Ltd. ("Canadian Fund") closed sales of its Class A shares. Further, the Board of Directors of Canadian Fund adopted a redemption management plan whereby Canadian Fund closed redemptions of its Class A shares and, subject to securing necessary regulatory approvals, will process redemptions of Class A shares semi-annually based on redemption amounts set by the Board of Directors. The Board of Directors of Canadian Fund is reviewing strategic options aimed at providing enhanced liquidity for shareholders of Canadian Fund while preserving the value potential in the fund's investment portfolio. There can be no assurance as to the outcome of this review.

Matrix Funds

Matrix Funds Management is the manager of the Matrix Funds, which include mutual funds, corporate class funds and flow-through limited partnerships. Matrix Funds Management is a division of Growth Works Capital Ltd.

In July of 2010, the SEAMARK Mutual Funds and the Mavrix Funds were united on one platform, re-organized and re-branded as the "Matrix Funds". As a result of this reorganization, Matrix Funds Management became the trustee and manager of the Matrix Funds as well as the specialty funds previously managed by Mavrix (the "Matrix Specialty Funds"). At the same time, SEAMARK entered into an arrangement with Matrix Funds Management to become the sub-advisor to the former SEAMARK Mutual Funds and took on new sub-advisory roles in respect of a number of other funds pursuant to an investment sub-advisory agreement. The fundamental investment objectives of the mutual funds remained unchanged. The Matrix Funds are offered under a Simplified Prospectus and Annual Information Form dated June 30, 2011, as amended from time to time. During 2011, Matrix Funds Management launched three new Matrix Funds offered under a Simplified Prospectus and AIF dated November 10, 2011, described below under "New Funds".

Matrix Funds Management also provides consulting and portfolio management services to the Matrix Specialty Funds, which currently consist of the flow-through limited partnerships listed below. The Matrix Specialty Funds are distributed primarily through the investment advisor and financial planner third party distribution channels. Each of these limited partnerships invests principally in securities of natural resource issuers and is designed to offer significant tax benefits to investors. After a hold period of approximately two calendar years, the assets of a specialty fund are transferred into a designated Matrix Mutual Fund in exchange for units of the Matrix Mutual Fund.

Pursuant to investment advisor agreements between Matrix Funds Management and certain investment management firms, Matrix Funds Management has retained outside investment management firms to provide advice regarding the investment portfolios of certain funds. The reorganized and expanded fund family offers more mainstream "core" investment mandates that have broad appeal to Canadian retail investors, like balanced funds and income funds. Many of these core mandate funds use SEAMARK as sub-advisor as described above in addition to Cassels Investment Management Inc. and Hahn Investment Stewards & Company. Each Matrix Fund, along with the advisor or sub-advisor to the fund, are listed below:

Mutual Fund Trusts

- Matrix Asia Pacific Fund –Matrix Funds Management
- Matrix Monthly Pay Fund – Matrix Funds Management
- Matrix Canadian Resource Fund – Matrix Funds Management
- Matrix Money Market Fund – SEAMARK Asset Management Ltd.
- Matrix Sierra Equity Fund – SEAMARK Asset Management Ltd.
- Matrix Small Companies Fund – SEAMARK Asset Management Ltd.
- Matrix Canadian Bond Fund – SEAMARK Asset Management Ltd.
- Matrix Tax Deferred Income Fund – Cassels Investment Management Inc. (Brookfield Investment Management Inc. as sub-advisor for high yield debt)
- Matrix International Income Balanced Fund – Hahn Investment Stewards & Company
- Matrix International Balanced Fund – Hahn Investment Stewards & Company
- Matrix Strategic Yield Fund – SEAMARK Asset Management Ltd.

Mutual Fund Corporations

- Matrix Canadian Balanced Fund-Corporate Class – SEAMARK Asset Management Ltd.
- Matrix Canadian Resource Fund-Corporate Class –Matrix Funds Management
- Matrix Short Term Income Fund-Corporate Class – SEAMARK Asset Management Ltd.
- Matrix U.S. Equity Fund-Corporate Class – SEAMARK Asset Management Ltd.
- Matrix Monthly Pay Fund – Corporate Class – Matrix Funds Management

Resource Flow Through Limited Partnerships

- Mavrix Quebec 2010 FT LP – Matrix Funds Management
- Mavrix Explore 2010 FT LP – Matrix Funds Management
- Matrix 2011-I National and Quebec Resource FT LP – Matrix Funds Management
- Matrix 2011-II National and Quebec Resource FT LP – Matrix Funds Management
- Matrix 2012-I National and Quebec Resource FT LP – Matrix Funds Management

Mutual Fund Unit Trust sold via Offering Memorandum

- Matrix Strategic Small Cap Fund – Matrix Funds Management

New Matrix Funds

During 2011, Matrix Funds Management launched the following new Matrix Funds. SEAMARK is the sub-advisor of each of these new funds which are offered under a Simplified Prospectus and Annual Information Form dated November 10, 2011, as amended from time to time:

- Matrix Covered Call Canadian Banks Plus Fund – Corporate Class. The Fund's objective is to receive dividend and option premium income and seek long term capital appreciation by investing in dividend paying securities in the Canadian financial sector and employing a covered call option writing strategy on certain of those securities.
- Matrix Dow Jones Canada High Dividend 50 Fund. The Fund's objective is to replicate, to the extent possible, the performance of the Dow Jones Canada High Dividend 50 Index SM, net of expenses. The Dow Jones Canada High Dividend 50 Index SM represents 50 high dividend-paying Canadian stocks and income trust units that are selected for fundamental strength relative to their peers, based on financial ratios.
- Matrix S&P/TSX Canadian Dividend Aristocrats Fund – Corporate Class. The Fund's objective is to replicate, to the extent possible, the performance of the S&P/TSX Canadian Dividend Aristocrats Index, net of expenses. The S&P/TSX Canadian Dividend Aristocrats Index is designed to measure the performance of S&P Canada Broad Market Index (BMI) constituents that have followed a managed dividends policy of consistently increasing dividends every year for at least five years.

Distribution and Competition

The Matrix Funds are marketed and distributed through investment dealers and other third party distribution channels across Canada. Sales volumes through these third party sales channels are dependent on a number of factors, including Matrix's ability to offer differentiated products that complement mainstream offerings, access to quality investment managers, the experience and depth of the Matrix Funds investment management team, the level of service provided by Matrix sales and service personnel to the dealers, and performance of the Matrix Funds. To ensure an ongoing level of support by dealers whose clients invest in Matrix Funds, Matrix Funds Management pays a trailer fee to the dealers.

Maintaining strong ties to and soliciting feedback from dealers and financial planners helps guide Matrix sales and marketing initiatives. Matrix's experienced team of portfolio managers, analysts and sales and marketing professionals are important contributors to Matrix's success in introducing new products. Matrix aims to provide a superior level of service for dealers and financial planners and a highly scalable asset management platform. In order for Matrix Funds Management to compete successfully, it must continue to focus on marketing its products to third party dealers and financial planners and on serving the needs of constituents within this distribution channel who recognize the merits of Matrix Funds' product offerings.



Annual Information Form

For the year ended December 31, 2010

March 29, 2011

I. PRELIMINARY NOTES AND CAUTIONARY STATEMENT

Date of Information & References

In this Annual Information Form ("AIF"), information is given as at December 31, 2010, unless stated otherwise. References to "Matrix" or the "Company" mean Matrix Asset Management Inc. and include, as the context requires, its subsidiaries.

All financial information in this AIF is prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Forward Looking Statements

Certain statements in this AIF are forward-looking statements based on beliefs, assumptions and expectations of the Company and not on historical fact. Forward-looking statements are provided to present information about management's current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, dividends and dividend policies, performance, prospects, opportunities, priorities, goals, strategies and outlook of the Company for the current financial year. Forward-looking statements include statements that are predictive in nature or depend upon or refer to future events or conditions.

Forward-looking statements are based upon beliefs and assumptions that were applied in drawing a conclusion or making an estimate, forecast or projection as reflected in the forward-looking statements, including the perception of historical trends and current conditions and beliefs and assumptions with respect to levels of assets under management ("AUM") and expenses and related assumptions as to levels of portfolio returns and managed fund sales and redemptions, beliefs and assumptions concerning prevailing and future economic and market conditions and the impact of such conditions and other factors on Matrix's AUM, the continuation of portfolio and fund management and advisory engagements. While management considers these beliefs and assumptions to be reasonable based on information currently available to it, they are subject to numerous risks and uncertainties and no assurance can be given that such beliefs and assumptions will prove to be correct. Accordingly, actual results may differ significantly from those expressed or implied by forward-looking statements due to many factors including, but not limited to, risks associated with institutional, mutual fund and venture capital fund management sectors generally, market, economic, political and other risks affecting portfolio performance, interest and foreign exchange rates, managed fund sales and redemptions and in turn Matrix's AUM, revenues and earnings and other risks and uncertainties listed under "Risks Factors", many of which are beyond the control of Matrix.

Readers are cautioned that the assumptions and risks noted in this AIF are not exhaustive of the factors that may affect any of the Company's forward-looking statements. Readers are also cautioned to consider these and other risks, uncertainties and potential events carefully and not place undue reliance on forward-looking statements. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise.

II. CORPORATE STRUCTURE

Name, Address & Formation

Matrix was incorporated on October 30, 2009 as "Matrix Asset Management Ltd." pursuant to the provisions of the *Canada Business Corporation Act* ("CBCA"). On November 23, 2009, the Company changed its name to "Matrix Asset Management Inc." The registered and records office of Matrix are located at Suite 310, 1801 Hollis Street, Halifax, Nova Scotia, Canada, B3J 3N4.

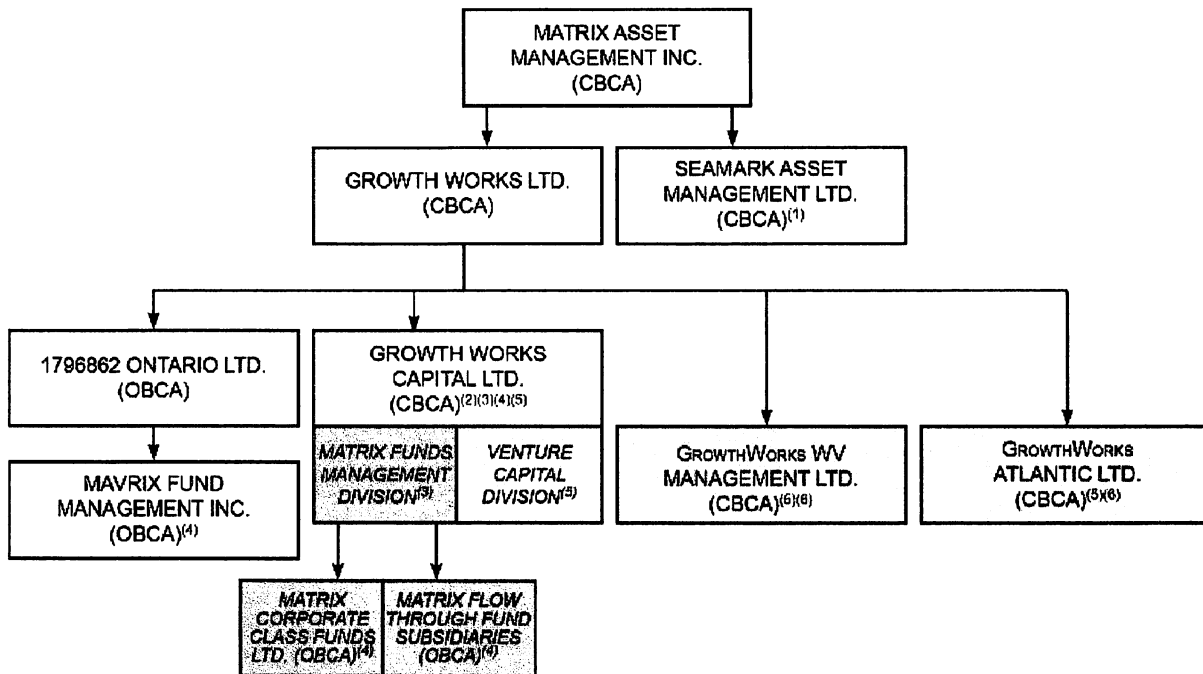
Matrix has seven offices across Canada in the following cities: Vancouver, Winnipeg, Toronto, Montreal, Halifax, Fredericton, and St. John's. The Vancouver, Toronto and Halifax offices are primary offices.

By Certificate of Amendment dated November 23, 2009, Matrix's articles were amended to authorize the issuance of an unlimited number of preferred shares from time to time in one or more series.

Matrix became listed on the Toronto Stock Exchange (the "TSX") on January 15, 2010 following a statutory plan of arrangement (the "Arrangement") and a business combination (the "Business Combination") among Matrix, Growth Works Ltd. ("GrowthWorks") and SEAMARK Asset Management Ltd. ("SEAMARK"). Matrix and SEAMARK effected the Arrangement pursuant to the provisions of the CBCA whereby all of the outstanding common shares of SEAMARK (the "SEAMARK Common Shares") were exchanged for common shares of Matrix (the "Matrix Common Shares"), and SEAMARK became a wholly-owned subsidiary of Matrix. The Arrangement was approved by the Supreme Court of Nova Scotia on January 11, 2010, and became effective on January 15, 2010. Following the Arrangement, also on January 15, 2010, Matrix completed the Business Combination whereby all of the outstanding common shares of GrowthWorks (the "GrowthWorks Common Shares") were exchanged for Matrix Common Shares, and GrowthWorks became a wholly-owned subsidiary of Matrix. See "General Development of the Business – Arrangement & Business Combination".

Intercorporate Relationships

The principal business of the Company is carried on through its subsidiaries. The following chart depicts the corporate structure of the Company together with the jurisdiction of each of the Company's material subsidiaries. Except as noted below, all of the subsidiaries are wholly-owned either directly by Matrix or indirectly through one of its subsidiaries.



Notes:

"CBCA" means the Canada Business Corporations Act and "OBCA" means the Ontario Business Corporations Act.

- (1) SEAMARK is registered under securities laws as follows: (a) portfolio manager – all provinces; (b) exempt market dealer – all provinces; (c) investment fund manager – Nova Scotia.
- (2) Growth Works Capital Ltd. is registered under securities laws as follows: (a) portfolio manager – British Columbia, Saskatchewan, Manitoba, Ontario and Nova Scotia; (b) exempt market dealer – British Columbia and Ontario; (c) mutual fund dealer – British Columbia, Saskatchewan, Ontario and Nova Scotia; (d) investment fund manager – British Columbia, Saskatchewan, Manitoba, Ontario, and Nova Scotia.
- (3) Matrix Funds Management is, under management agreements effective July 22, 2010, the manager of the Matrix Funds, which include mutual funds, corporate class funds and flow through limited partnerships, and is a division of Growth Works Capital Ltd. See "General Development of the Business – Matrix Funds".
- (4) In connection with its Matrix Funds Management division, Growth Works Capital Ltd. owns all of the common shares of Matrix Corporate Class Funds Ltd., a corporate mutual fund of which the public owns all of the other shares. Five other Growth Works Capital Ltd. subsidiaries are general partners of Matrix Funds Management managed flow through limited partnerships: Mavrix Explore 2009 – I FT Management Limited; Mavrix Explore 2009 – II FT Management Limited; Mavrix Explore 2010 – I FT Management Limited; Mavrix Québec 2009 Ltd.; Mavrix Québec 2010 Ltd., and; Matrix 2011-I National and Québec Flow Through Management Limited. Ownership of some subsidiaries is being transferred from Mavrix Fund Management Inc., the former manager of some of the Matrix Funds.
- (5) The Venture Capital Division of Growth Works Capital Ltd. specializes in the management of regionally based venture capital funds. Growth Works Capital Ltd. is the manager of Working Opportunity Fund (EVCC) Ltd. and provides management and investment management services to GrowthWorks Canadian Fund Ltd., GrowthWorks Commercialization Fund Ltd. and GrowthWorks Atlantic Venture Fund Ltd. GrowthWorks WV Management Ltd. is the manager of GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd. Growth Works Atlantic Ltd. is the manager of Growth Works Atlantic Venture Fund Ltd. Management services are provided under management agreements between members of the Venture Capital Division and the venture capital funds.
- (6) Matrix's wholly-owned subsidiary, Growth Works Ltd., holds all of the equity securities and slightly less than half of the voting securities of each of GrowthWorks WV Management Ltd. and Growth Works Atlantic Ltd., with the remainder of the voting securities being held by David Levi and Working Enterprises Ltd. The voting securities of those two entities held by David Levi and Working Enterprises Ltd. are voting only and have no economic participation of any kind. The voting arrangement is to provide additional comfort to the sponsor of the particular venture capital funds managed by those entities. Mr. Levi is the President and Chief Executive Officer of Matrix and Growth Works Ltd. Working Enterprises Ltd. is the largest shareholder of Matrix.

III. GENERAL DEVELOPMENT OF THE BUSINESS

Introduction

Matrix is a diversified asset and wealth management company serving institutional, high net worth and retail client groups from offices across Canada with approximately \$2.6 billion in AUM. The Company's mission is to provide a diverse array of investment choices and the best possible investment management service to Canadian investors and institutions.

This is the first operating year for Matrix and a year of development. The operations of SEAMARK and GrowthWorks were combined under the Arrangement and the Business Combination resulting in the formation of Matrix as detailed below under "Arrangement & Business Combination". The Matrix Funds, managed by a subsidiary of GrowthWorks, were re-branded in 2010 as detailed below under "Matrix Funds". As a result of these activities, Matrix offers investment services through three operating units:

- Institutional asset management, operated through SEAMARK, which offers portfolio management to institutional and high net worth private clients, including through managed portfolio advisory ("wrap") programs of leading Canadian investment dealers;
- Mutual and specialty fund management, which manages the "Matrix Funds" distributed through investment dealers and financial planners across Canada; and
- Venture capital and private equity, operated through GrowthWorks, which manages funds in the venture capital and private equity sector for individual and institutional investors.

These operating units are divided into two reportable segments under GAAP as detailed under "Description of Business".

Matrix will continue to seek to attract additional AUM by competing for new investment mandates and positioning its investment fund offerings to meet the current needs of investors. Strategic assessment and planning to strengthen its mandates and offerings will be a particular focus in 2011. In particular, the Company sees further demand and strength in innovative new growth and income investment products that can provide value-added features for investors and utilize its best portfolio management resources to attract additional AUM. The Company also expects to realize additional operating efficiencies over the course of the year as it continues to integrate its diversified asset management platform. Lastly, the Company also expects to actively seek out acquisitions that will help grow its diversified asset management business.

Arrangement & Business Combination

On October 28, 2009, SEAMARK and GrowthWorks entered into a business combination agreement providing for the Business Combination and resulting in the combination of their businesses. They also entered into an arrangement agreement with Matrix dated December 9, 2009 regarding the Arrangement, the purpose of which was to create a holding company structure so that the parent company, Matrix, that maintained the TSX listing would be separate from the operating entities. Prior to the Arrangement and Business Combination, Matrix was a recently incorporated wholly-owned subsidiary of SEAMARK and it did not conduct any operations. SEAMARK was a TSX-listed company at the time. Upon completion of the Arrangement and Business Combination on January 15, 2010, SEAMARK and GrowthWorks became wholly-owned subsidiaries of Matrix and Matrix became listed on the TSX trading under the stock symbol "MTA".

In accordance with the terms of the Arrangement, all of the outstanding SEAMARK Common Shares were exchanged for Matrix Common Shares on a one-for-one basis. Immediately following the Arrangement, Matrix completed the Business Combination with the shareholders of GrowthWorks resulting in the exchange of all the outstanding GrowthWorks Common Shares for Matrix Common Shares on a 1 to 3.0409 basis. On the closing of the Business Combination, the Matrix Common Shares

issued to former shareholders of GrowthWorks (the "Acquisition Shares") represented 75% of the issued and outstanding Matrix Common Shares. Matrix was required under GAAP to account for the Business Combination as a reverse takeover with GrowthWorks as the acquirer and SEAMARK and Matrix as acquirees.

A new board of directors of Matrix (the "Board") was elected at the time of the Business Combination, whose membership includes previous directors on the boards of SEAMARK and GrowthWorks prior to the Business Combination. See "Directors and Executive Officers".

Matrix Funds

On June 30, 2009, GrowthWorks, through a wholly-owned subsidiary, completed the acquisition of all of the issued and outstanding common shares of Mavrix Funds Management Inc. ("Mavrix") effected by way of a statutory plan of arrangement under the CBCA. Mavrix's primary business was managing the "Mavrix Mutual Funds" and providing consulting and portfolio management services to the "Mavrix Specialty Funds".

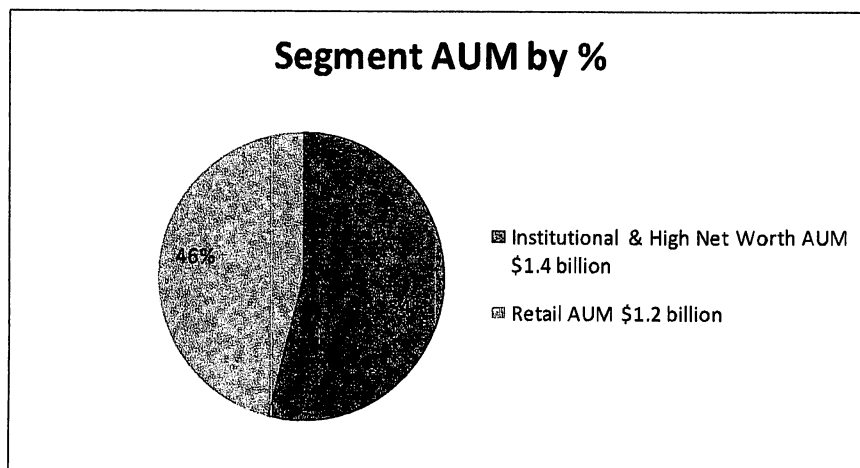
At the time of the Business Combination, SEAMARK was the manager of the "SEAMARK Mutual Funds".

In July 2010, the Mavrix Mutual Funds and the SEAMARK Mutual Funds were re-organized and re-branded as the "Matrix Funds". The manager of the re-branded Matrix Funds and the Mavrix Specialty Funds was changed to Matrix Funds Management*, thereby resulting in management of these investment funds being consolidated and streamlined within the Matrix group of companies.

* Matrix Funds Management is a division of Growth Works Capital Ltd. See "Corporate Structure – Intercorporate Relationships" above.

IV. DESCRIPTION OF THE BUSINESS

Matrix's three operating units are divided into two reportable segments under GAAP: (i) Institutional & High Net Worth ("Institutional"), and (ii) Retail. Matrix has a final third reportable segment, Corporate/Other, which consists of expenses not attributable to the Institutional or Retail segments, has no AUM and generates no revenue. The Institutional and Retail segments generate revenues from investment management and advisory services and involve the management and marketing of investment products and/or portfolio management services. The SEAMARK business unit is the principal operator in the Institutional reportable segment. Matrix Funds Management and GrowthWorks principally operate in the Retail segment. The distinction between these two reportable segments is based on the nature of the clients served, and the business and regulatory environment in which operations are undertaken. AUM by segment is set out below in the chart:



Matrix typically earns revenues from fees based on the net asset value of assets managed for clients. In the venture capital / private equity division, the Company can also generate revenue from carried interest payments / incentive participation dividends paid by managed funds on particularly successful investments. These are typically 20% of realized gains and income, and are paid if portfolio and investment-specific returns exceed a number of minimum return thresholds. For more detail please see "Retail – GrowthWorks Funds – Revenue". The following table shows revenue attributable to the segments:

	Institutional	Retail	Total
Revenue for twelve months ended December 31, 2010 (in thousands)	\$3,250	\$33,321	\$36,481

As of December 31, 2010, the Company employed 115 people across its reportable segments. Twenty-three of those employees were associated with the Institutional segment. The Company's ability to offer its investment management services depends on its employment of investment professionals who meet the requirements of securities regulators with respect to industry experience and educational qualifications. The requirements of securities regulators in this regard are substantially similar across Canada. Failure to be able to employ investment professionals meeting these requirements would effectively prevent the Company from being able to offer its investment management services.

The Company's ability to continue to attract investment professionals is likely to depend primarily on the overall demand for such professionals in the industry and the Company's ability to provide a competitive compensation package.

Institutional & High Net Worth Segment

This reportable segment is almost entirely attributable to the SEAMARK operating unit which serves both institutional clients and private clients. The GrowthWorks operating unit minimally contributes to this segment through exempt product venture capital funds for high net worth investors.

Institutional clients include pensions, endowments, and other funds managed on behalf of institutions (corporations, municipalities, and not-for-profit societies), including group retirement plans administered by life insurance companies. SEAMARK provides discretionary portfolio management services either directly to these clients or, in the case of group retirement plans, indirectly through the plan administrator.

SEAMARK's private client operations typically include the management of assets on behalf of high net worth individuals who have a direct client relationship with SEAMARK.

GrowthWorks, through its affiliates, manages four institutional and high net worth venture capital funds. These are mature funds launched some time ago. The revenue generated under this division is not material and as of December 31, 2010 these funds had combined net assets of approximately \$3.5 million. None of these funds is currently raising investment capital. However, GrowthWorks believes the current venture capital market conditions in Canada may present greater opportunities for establishing new institutional and high net worth venture capital funds and it intends to take advantage of such opportunities.

SEAMARK acts as manager and trustee for a family of pooled funds (the "Pooled Funds"). The Pooled Funds are maintained in order to allow institutional and private clients the opportunity to realize cost efficiencies by obtaining SEAMARK's investment management services through pooled funds rather than through investment in individual securities held in a custodial account. The Pooled Funds are as follows:

- SEAMARK Pooled Money Market Fund
- SEAMARK Pooled Balanced Fund
- SEAMARK Pooled Canadian Bond Fund
- SEAMARK Pooled Canadian Equity Fund
- SEAMARK Pooled US Equity Fund
- SEAMARK Pooled International Equity Fund
- SEAMARK Pooled Foreign Equity Fund
- SEAMARK Pooled Small Cap Fund

The Pooled Funds are generally used in three circumstances:

- For smaller portfolios (generally less than \$10 million) where the use of Pooled Funds can reduce the client's overall administrative costs.
- For multi-asset class portfolios where the use of Pooled Funds in conjunction with individual securities can increase the diversification of the portfolio in a cost effective manner (for example, the use of the Pooled Money Market Fund for the investment of the client's current cash on hand, the use of the Pooled Small Cap Fund as part of the client's Canadian equity portfolio, or the use of the Pooled International Equity Fund as part of a balanced mandate).
- For group retirement programs such as those offered by insurance companies, where the administering institution wishes to be able to offer SEAMARK's investment services to its clients through investing in the Pooled Funds.

Competitive conditions

Management considers the Canadian investment management industry to be highly competitive. Differentiation within the industry is generally accomplished by three factors: investment approach and performance, quality of service, and pricing.

SEAMARK's approach to investment management is based on certain principles and decision-making processes that collectively define SEAMARK's investment style and differentiate it from its competitors. SEAMARK's investment approach has generated strong long-term investment returns for its clients. Management believes long-term investment performance and consistency of investment approach are most important in gaining additional assets from institutional clients.

Short-term performance, in both absolute terms and relative to other investment managers, varies more frequently than long-term performance. SEAMARK believes it is therefore more difficult to maintain a competitive advantage in short-term performance.

Quality of service, independent of investment approach and performance, is an important factor in retaining client assets. SEAMARK's service model makes its portfolio managers directly accessible to its clients, a factor that helps differentiate SEAMARK from some of its competitors. Management places special emphasis on maintaining the quality of client service.

SEAMARK's cost structure has historically allowed it to price its services competitively relative to industry averages while still maintaining attractive operating margins. Management does not expect significantly increased competition on the basis of pricing, but believes that SEAMARK would be able to remain competitive within the industry should such competition develop.

Revenue

SEAMARK generates revenue by charging each client a fee calculated as a percentage of the market value of the client's assets managed by SEAMARK. Institutional revenue is set out above. The portion of Institutional revenue generated from the Pooled Funds was \$1,466,000 for 2010.

Regulatory Environment

SEAMARK's head office is located in Halifax, Nova Scotia and its discretionary investment management services are offered directly to qualifying clients resident in each Canadian province. SEAMARK is registered as: (i) an adviser in the category of portfolio manager in all the provinces, (ii) an exempt market dealer in all the provinces, and (iii) an investment fund manager in Nova Scotia.

The Pooled Funds are offered and sold to residents in each of the Canadian provinces pursuant to the exemptions from the prospectus and registration requirements under National Instrument 45-106 *Prospectus and Registration Exemptions*.

Retail Segment

The Retail segment includes:

- a) GrowthWorks Retail Venture Capital Funds ("GrowthWorks Funds")
- b) Matrix Funds (Mutual and Specialty)
- c) Wrap Programs

Under the GrowthWorks Funds and the Matrix Funds, Matrix provides investment management and administration services to over 30 investment funds (the "Managed Funds"). The divisions within the retail segment are set out in more detail immediately below.

GrowthWorks Funds

GrowthWorks refers to Growth Works Ltd. and its affiliates providing services to the GrowthWorks Funds. Growthworks provides investment management and administration services to several GrowthWorks Funds on a fee for service basis. GrowthWorks has approximately \$529 million in venture capital AUM.

The following funds represent 99% of the GrowthWorks Funds AUM as of December 31, 2010:

- Working Opportunity Fund (EVCC) Ltd.
- GrowthWorks Canadian Fund Ltd.
- GrowthWorks Commercialization Fund Ltd.
- GrowthWorks Atlantic Venture Fund Ltd.

Investment Management

Investment management services provided by GrowthWorks to the GrowthWorks Funds cover each stage of the venture investment cycle, including:

- sourcing investment opportunities which meet the fund's objectives and investment strategies;
- evaluating venture investment opportunities;
- structuring and negotiating investments;
- managing venture investments; and
- exiting venture investments.

GrowthWorks also manages the GrowthWorks Funds' non-venture investments, either directly or through a liquid funds portfolio manager. Non-venture investments range from high quality debt to equity and equity-linked investments.

Regulatory Environment

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- managing venture investments; and
- exiting venture investments.

GrowthWorks also manages the GrowthWorks Funds' non-venture investments, either directly or through a liquid funds portfolio manager. Non-venture investments range from high quality debt to equity and equity-linked investments.

Competitive Conditions

GrowthWorks is also responsible for marketing the GrowthWorks Funds and for managing sales of GrowthWorks Funds through registered investment dealers. Like other investment funds whose managers are not affiliated with financial institutions, shares of these GrowthWorks Funds are marketed by GrowthWorks through investment advisors, a highly competitive sales channel. The GrowthWorks Funds pay trailer fees to dealers to assist in providing ongoing service to their clients. GrowthWorks has six outside salespeople and three inside sales people responsible for the distribution of the GrowthWorks Funds across Canada.

Revenue

Revenues in 2010 attributable to the GrowthWorks Funds were \$24,973,000.

In accordance with the terms of the respective management contracts with the GrowthWorks Funds, GrowthWorks receives annual management and administration fees based on a percentage of the net asset value or "NAV" of each GrowthWorks Fund. Generally, management fees are approximately 2% of NAV, while base administration fees range from 1.29% to 2.0% of NAV. For certain of the GrowthWorks Funds, the manager is also paid an additional capital retention administration fee of 0.75% or 1.1625% of the original purchase price (or the net asset value for certain shares issued under fund mergers) for shares representing capital invested for less than eight years.

GrowthWorks generally pays most of the operating expenses of the GrowthWorks Funds it manages. This differs from the majority of retail venture capital funds where operating costs are borne by the fund.

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 GrowthWorks Funds, this interest is provided through Class C shares of the funds, known as "IPA Shares", which are held by the manager of the fund. As the holder of IPA Shares, GrowthWorks is entitled to receive dividends, referred to as "IPA Dividends", based on realized gains and income from the fund's venture investments. Depending on the fund, the IPA Dividends range from 15% to 25% of the realized gains and income from each venture investment. Generally, IPA Dividends are payable only if the following conditions are met at the time of a divestment:

- *Portfolio Test* - the total net realized and unrealized gains and income of the fund from its portfolio of venture investments has generated an annualized rate of return greater than a cumulative annualized rate of return on a five year guaranteed investment certificate plus 2%;
- *Venture Investment Test* - the compounded annual internal rate of return from the venture investment since its acquisition by the fund must equal or exceed 12% per year; and
- *Principal Test* - the fund must have fully received a cash amount at least equal to the principal invested in the venture investment.

Additional conditions may apply for certain funds including in respect of venture investments acquired as a result of certain fund merger transactions. Over the past five years, GrowthWorks has received a total of \$23 million in IPA Dividends. There can be no assurance that GrowthWorks will receive further IPA Dividends in the future.

Regulatory Environment

Growth Works Capital Ltd. is registered under securities laws as: (i) a portfolio manager in British Columbia, Saskatchewan, Manitoba, Ontario and Nova Scotia, (ii) an exempt market dealer in British Columbia and Ontario, (iii) a mutual fund dealer in British Columbia, Saskatchewan, Ontario and Nova Scotia; and (iv) an investment fund manager in British Columbia, Saskatchewan, Manitoba, Ontario and Nova Scotia.

Each GrowthWorks Funds is a reporting issuer under applicable securities laws. As such, the GrowthWorks Funds are subject to financial statement filing, shareholder reporting and other continuous disclosure requirements. Under the management contracts, GrowthWorks is responsible for managing compliance with these and other requirements applicable to the GrowthWorks Funds.

Each of the GrowthWorks Funds is also registered or prescribed as a labour-sponsored venture capital corporation under the Income Tax Act (Canada) (the "Tax Act") and is similarly registered, prescribed or approved under labour-sponsored investment fund legislation in one or more provinces. These registrations or prescriptions allow retail venture capital funds to offer tax credits to eligible investors where the funds' shares are offered. In exchange for the ability to offer these tax credits, the federal government and/or the provinces that offer a provincial tax credit require that the funds make investments in accordance with what are referred to in the retail venture capital industry as "investment pacing" requirements. These requirements prescribe the types of businesses that registered funds must invest in and timeframes in which minimum percentages of capital raised must be invested. GrowthWorks monitors compliance with these investment pacing requirements as part of the investment management services provided to the GrowthWorks Funds. If a fund fails to meet its investment pacing requirements, the fund may have to pay penalty taxes and ultimately could lose its registered, prescribed or approved status in one or more jurisdictions.

Matrix Funds

Matrix Funds Management is the manager of the Matrix Funds, which include mutual funds, corporate class funds and flow-through limited partnerships. Matrix Funds Management is a division of Growth Works Capital Ltd.

In July of 2010, the SEAMARK Mutual Funds and the Mavrix Funds were united on one platform, re-organized and re-branded as the "Matrix Funds". As a result of this reorganization, Matrix Funds Management became the trustee and manager of the Matrix Funds as well as the specialty funds previously managed by Mavrix (the "Matrix Specialty Funds"). At the same time, SEAMARK entered into an arrangement with Matrix Funds Management to become the sub-advisor to the former SEAMARK Mutual Funds and took on new sub-advisory roles in respect of a number of other funds pursuant to an investment sub-advisory agreement. The fundamental investment objectives of the mutual funds remained unchanged. The Simplified Prospectus and the Annual Information Form of the re-branded "Matrix Funds" dated July 22, 2010 was filed with applicable securities regulators. Following a receipt for the documents obtained from the regulators on July 29, 2010, the marketing of the Matrix Funds under the Simplified Prospectus commenced.

Matrix Funds Management also provides consulting and portfolio management services to the "Matrix Specialty Funds" which currently consist of the flow-through limited partnerships listed below. The Matrix Specialty Funds are distributed primarily through the investment advisor and financial planner third party distribution channels. Each of these limited partnerships invests principally in securities of natural resource issuers and is designed to offer significant tax benefits to investors. After a hold period of approximately two calendar years, the assets of a specialty fund are transferred into a designated Matrix Mutual Fund in exchange for units of the Matrix Mutual Fund.

Pursuant to investment advisor agreements between Matrix Funds Management and certain investment management firms, Matrix Fund Management has retained outside investment management firms to provide advice regarding the investment portfolios of certain funds. The reorganized and expanded fund family offers more mainstream "core" investment mandates that have broad appeal to Canadian retail investors, like balanced funds and income funds. Many of these core mandate funds use SEAMARK as sub-advisor in addition to Cassels Investment Management Inc. and newly retained Hahn Investment Stewards & Company. The Matrix Funds, along with the advisor or sub-advisor, are listed below:

Mutual Fund Trusts

- Matrix Asia Pacific Fund –Matrix Funds Management
- Matrix Monthly Pay Fund – Matrix Funds Management
- Matrix Dividend & Income Fund – SEAMARK Asset Management Ltd
- Matrix Explorer Fund – Matrix Funds Management
- Matrix North American Growth Fund – SEAMARK Asset Management Ltd
- Matrix International Equity Fund – SEAMARK Asset Management Ltd
- Matrix Canadian Growth Fund – Matrix Funds Management
- Matrix Money Market Fund – SEAMARK Asset Management Ltd
- Matrix Sierra Equity Fund – SEAMARK Asset Management Ltd
- Matrix Small Companies Fund – Matrix Funds Management
- Matrix Canadian Bond Fund – SEAMARK Asset Management Ltd
- Matrix Tax Deferred Income Fund – Cassels Investment Management Inc. (Brookfield Investment Management Inc. as sub-advisor for high yield debt)
- Matrix International Income Balanced Fund – Hahn Investment Stewards & Company
- Matrix International Balanced Fund – Hahn Investment Stewards & Company
- Matrix Canadian Equity Fund – SEAMARK Asset Management Ltd
- Matrix Conservative Dividend & Income Fund – SEAMARK Asset Management Ltd
- Matrix North American Equity Fund – SEAMARK Asset Management Ltd

Mutual Fund Corporations

- Matrix Canadian Balanced Fund-Corporate Class – SEAMARK Asset Management Ltd
- Matrix Explorer Fund-Corporate Class –Matrix Funds Management
- Matrix Diversified Income Fund-Corporate Class – SEAMARK Asset Management Ltd
- Matrix Short Term Income Fund-Corporate Class – SEAMARK Asset Management Ltd
- Matrix U.S. Equity Fund-Corporate Class – SEAMARK Asset Management Ltd

Resource Flow Through Limited Partnerships

- Mavrix Quebec 2010 FT LP – Matrix Funds Management
- Mavrix Explore 2010 I FT LP – Matrix Funds Management
- Matrix 2011 I National and Quebec Resource FT LP – Matrix Funds Management (preliminary prospectus filed in December 2010)

Mutual Fund Unit Trust sold via Offering Memorandum

- Matrix Strategic Small Cap Fund – Matrix Funds Management

Competitive Conditions

Matrix Funds Management is the manager and portfolio adviser of the Matrix 2011-I National and Québec Resource Flow Through LP (the "Flow Through LP"). The Flow Through LP filed its preliminary prospectus as at December 14, 2010. A first closing of the sale of the Flow Through LP units took place on March 4, 2011 subsequent to the filing of the final prospectus on February 23, 2011. Gross proceeds raised were \$8.6 million. The Flow Through LP is a flow-through investment fund with a dual-class structure to allow investors to obtain limited partnership units of a National portfolio (the "National Class Units") or limited partnership units of a Québec portfolio (the "Québec Class Units" and, together with the National Class Units, the "Units"), each with its own investment objectives and distinct tax deductions. The National Class Unit is suitable for investors who are Canadian residents subject to Canadian income tax. The Québec Class Unit is primarily suitable for investors who are residents of the Province of Québec subject to Québec income tax.

The Flow Through LP will primarily invest in flow-through shares of resource issuers engaged in mineral or oil and gas exploration and/or development in Canada and Québec, with a view to maximizing the tax benefit of an investment in the Flow Through LP's Units, preserving capital and achieving capital appreciation for holders of the National Class Units and holders of Québec Class Units. The offering has been set at a maximum of \$25,000,000 for the National Class Units and \$20,000,000 for the Québec Class Units. The next closing of the offering is expected to occur on March 31, 2011.

TAB 23

**EXTRACTS FROM
MANAGEMENT INFORMATION CIRCULARS
MATRIX / GROWTHWORKS**

FOR 2014 - FILED ON SEDAR ON JUNE 4, 2014

FOR 2013 - FILED ON SEDAR ON JUNE 4, 2013

FOR 2012 - FILED ON SEDAR ON APRIL 19, 2012

FOR 2011 - FILED ON SEDAR ON APRIL 18, 2011



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

for the

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held June 25, 2014



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the “Meeting”) of shareholders of **Matrix Asset Management Inc./ Matrix Gestion d’actifs inc.** (“Matrix” or the “Company”) will be held at the offices of Matrix, Vancouver, British Columbia on Wednesday, June 25, 2014 at 3:00 p.m. (Vancouver time) for the following purposes:

1. to receive the consolidated financial statements of the Company for the financial year ended December 31, 2013, together with the auditors’ report thereon;
2. to elect directors of the Company for the ensuing year;
3. to reappoint Hay & Watson Chartered Accountants, as auditors of the Company and authorize the directors to fix the auditors’ remuneration;
4. to consider, and if thought appropriate, to approve a special resolution in the form set out in Appendix A of the accompanying management information circular (the “Circular”) to amend the articles of the Company to change the province in which the Company’s registered office is situated from Nova Scotia to British Columbia, as more particularly described in the Circular;
5. to consider amendments or variations to any matter identified in this Notice of Meeting; and
6. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

Details of these matters are set forth in the Circular which accompanies this Notice of Meeting. This Notice of Meeting is also accompanied by a form of Proxy for the Meeting and a reply card for use by shareholders who wish to request copies of the Company’s interim and annual financial statements and management’s discussion and analysis thereof.

Only shareholders of record as of the close of business on Tuesday, May 6, 2014 are entitled to receive notice of the Meeting and to vote at the Meeting. To assure your representation at the Meeting as a **Registered Shareholder or a Non-Registered Shareholder who is a Non-Objecting Beneficial Owner (“NOBO”)**, please complete, sign, date and return the enclosed Proxy, whether or not you plan to personally attend. Sending your Proxy will not prevent you from voting in person at the Meeting. All Proxies completed by Registered Shareholders must be received by Matrix’s transfer agent, **CST Trust Company**, (i) by mail in the enclosed envelope or otherwise to PO Box 721, Agincourt, Ontario, M1S 0A1 Attention: Proxy Department, or (ii) by fax to 1-866-781-3111, in each case no later than Monday, June 23, 2014 at 3:00 p.m. (Pacific time). **Non-Registered Shareholders** whose Common Shares are registered in the name of an intermediary and who are **Objecting Beneficial Owners (“OBOs”)** should carefully follow voting instructions provided by the intermediary. More detailed instructions on returning Proxies by Non-Registered Shareholders can be found beginning on page 2 of the Circular.

If you receive more than one Proxy for the Meeting, it is because your shares are registered in more than one name. To ensure that all of your shares are voted, you should sign and return all proxies that you receive.

DATED at Vancouver, British Columbia, this 6th day of May, 2014.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to be "DL" or similar initials, written in a cursive style.

David Levi
Chairman of the Board

Whether or not you expect to attend the Meeting in person, please complete, sign, date and return the Proxy at your earliest convenience. The accompanying Circular provides further information respecting Proxies and the matters to be considered at the Meeting and is deemed to form part of this Notice of Meeting.

BUSINESS OF THE MEETING

Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2013 and the auditors' report thereon have been sent to Registered Shareholders of the Company and filed on SEDAR at www.sedar.com and will be presented to Shareholders at the Meeting. Matrix commenced operations and became a TSX-listed company on completion of the business combination of Growth Works Ltd. ("GrowthWorks") and SEAMARK Asset Management Ltd. ("SEAMARK") as at January 15, 2010 (the "Business Combination"). On March 28, 2014, Matrix voluntarily delisted from the TSX.

Election of Directors

The Company's articles provide that the Board of Directors of Matrix (the "Board") will consist of a minimum of one and a maximum of ten directors. On April 13, 2014, four long-serving directors of the Board retired. The directors had been involved for many years including with the predecessor companies of Matrix. These directors have wanted to retire from the board for some time but remained involved over the past year to ensure the completion of the financial and corporate restructuring of the Company, complete the annual audit and begin the review of strategic options. At present, the Board has fixed the number of directors at three. The sole director is considering new independent appointments and may present nominations at the meeting.

Management proposes the person named below for election as a director of Matrix, who will hold office until the next annual meeting of shareholders or until successors are duly elected or appointed. **If Shareholders do not specify how they want their Common Shares voted, the person named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the election of the nominee listed below as a director of Matrix, to hold office until the close of the next annual meeting of shareholders or until successors are duly elected or appointed. If you appoint a person as Proxyholder other than the persons named in the enclosed form of Proxy, the Proxy may be voted at the appointed person's discretion.** If the listed nominee shall become unavailable to serve prior to the Meeting, the Proxyholder will have the right to use their discretion in voting for a properly qualified substitute.

The election of the director must be approved by a simple majority of the votes cast at the Meeting, whether by Proxy or in person. The proposed nominee is now a director of Matrix, has served as a director since the date he first became a director and, except as noted below, has held the principal occupation listed below for the last five years.

The tables below set out the name of the proposed nominee, his residence, his principal occupation, including positions or offices with Matrix and its affiliates, his current membership on committees of the Board of Directors, and the number of securities of Matrix he beneficially owns or exercises voting control or direction over, including Restricted Shares and DSUs (each as described in "Securities Authorized for Issuance under Equity Compensation Plans").

DAVID R. LEVI VANCOUVER, BRITISH COLUMBIA	Mr. Levi has served as a director of Matrix since January 15, 2010 and is the President & CEO of Matrix. Mr. Levi is also the President & CEO and a director of GrowthWorks and its affiliates, including Growth Works Capital Ltd. Mr. Levi is also President & CEO and a director of Working Opportunity Fund (EVCC) Ltd. and GrowthWorks Commercialization Fund Ltd. and is also a director of GrowthWorks Atlantic Venture Fund Ltd. Until September 30, 2013, Mr. Levi was also President & CEO and a director of GrowthWorks Canadian Fund Ltd. In late 1998, Mr. Levi founded GrowthWorks and in early 1999 Growth Works Capital Ltd. assumed management of Working Opportunity Fund (EVCC) Ltd. In 2002, Mr. Levi led GrowthWorks' acquisition of the company that previously managed GrowthWorks Canadian Fund Ltd. Mr. Levi is also a director and President of Working Enterprises Ltd., a Vancouver-based holding company that provides financial, travel, and other services to unions, credit union members, and the general public. Prior to launching Working Opportunity Fund (EVCC) Ltd., Mr. Levi was chair of Vancouver City Savings Credit Union and remained as a director until 1996. He is also a past director of the Canadian Venture Capital Association and SEAMARK. Mr. Levi has provided strategic direction to many portfolio companies and currently serves on the board of Avcorp Industries Inc. He also serves on the board of Verite, an independent, non-profit social auditing and research organization and is involved in a number of community organizations.	
Securities Owned, Controlled or Directed		
6,397,773 Common Shares (unrestricted) ^{1&2}	nil Restricted Shares	
Board/Committee Membership		Meeting Attendance during 2013
Board		37/37

- (1) Mr. Levi also holds 501 voting shares of each of GrowthWorks WV Management Ltd. and GrowthWorks Atlantic Ltd. jointly with Working Enterprises Ltd. representing 50.1% of the outstanding voting shares of each of these companies. These shares have no economic participation of any kind. In connection with the Business Combination, voting shares of these companies were issued to David Levi and Working Enterprises Ltd. in order to provide additional comfort to the sponsor of the venture capital investment funds managed by these entities, namely GrowthWorks Commercialization Fund Ltd.,

- GrowthWorks Atlantic Venture Fund Ltd. and formerly GrowthWorks Canadian Fund Ltd. Working Enterprises Ltd. was a large shareholder of GrowthWorks prior to the Business Combination and is the largest shareholder of Matrix, holding 16,938,801 Common Shares.
- (2) Mr. Levi holds 1,190,556 Common Shares directly and controls DLN Funtimes Ltd. which holds 4,266,907 Common Shares. He controls the David Levi Family Trust which holds 681,997 Common Shares and he controls the David Levi Family Trust 2009 which holds 258,313 Common Shares.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of Matrix, none of the nominees for election to the Board (a) is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the person was acting in that capacity; or (ii) was subject to an Order that was issued after the person ceased to act in that capacity but which resulted from an event that occurred while that person acted in that capacity, (b) is, or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Penalties and Sanctions

To the knowledge of Matrix, the nominee for election to the Board nor any personal holding companies owned or controlled by him (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for the nominee.

Appointment of Auditors

It is proposed that Hay & Watson Chartered Accountants ("Hay & Watson"), the present auditors of Matrix, be reappointed as auditors of Matrix until the next annual meeting of Shareholders and that the Board be authorized to fix the remuneration to be paid to the auditors. Hay & Watson became auditors of Matrix on December 23, 2013. Information regarding audit fees and non-audit services provided by Hay & Watson to Matrix is provided in Matrix's Annual Information Form for the year ended December 31, 2013 filed on SEDAR. The engagement of Hay & Watson to provide non-audit services requires the prior approval of the Audit Committee.

Management of the Company recommends that Shareholders vote in favour of the resolution appointing Hay & Watson as auditors of the Company. If Shareholders do not specify how they want their Common Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the appointment of Hay & Watson as auditors of Matrix at the remuneration to be fixed by the Board. If you appoint an alternate Proxyholder, the Proxy may be voted at his or her discretion.

The appointment of auditors must be approved by a simple majority of the votes cast at the Meeting, whether by Proxy or in person.

Change of Registered Office

The principal regulator for the Company is the British Columbia Securities Commission and the principal place of business for the Company is British Columbia. Accordingly, the Board has determined that the registered office of the Company should be situated in the Province of British Columbia. It is proposed that the province in which the Company's registered office is situated be changed from Nova Scotia to British Columbia. A special resolution approving the change of registered office and the filing of articles of amendment to effect the change of registered office is set out in Appendix A of this Circular.

Management of the Company recommends that Shareholders vote in favour of the special resolution approving the proposed change of registered office. If Shareholders do not specify how they want their Common Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the special resolution approving the proposed change of registered office.



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

for the

ANNUAL MEETING OF SHAREHOLDERS

to be held June 25, 2013



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual meeting (the "Meeting") of shareholders of **Matrix Asset Management Inc./ Matrix Gestion d'actifs inc.** ("Matrix" or the "Company") will be held at the offices of Matrix, Vancouver, British Columbia on Tuesday, June 25, 2013 at 3:00 p.m. (Vancouver time) for the following purposes:

1. to receive the consolidated financial statements of the Company for the financial year ended December 31, 2012, together with the auditors' report thereon;
2. to elect directors of the Company for the ensuing year;
3. to reappoint Deloitte & Touche LLP, Chartered Accountants, as auditors of the Company and authorize the directors to fix the auditors' remuneration;
4. to consider amendments or variations to any matter identified in this Notice of Meeting; and
5. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

Details of these matters are set forth in the Circular which accompanies this Notice of Meeting. This Notice of Meeting is also accompanied by a form of Proxy for the Meeting and a reply card for use by shareholders who wish to request copies of the Company's interim and annual financial statements and management's discussion and analysis thereof.

Only shareholders of record as of the close of business on Friday, May 17, 2013 are entitled to receive notice of the Meeting and to vote at the Meeting. To assure your representation at the Meeting as a **Registered Shareholder or a Non-Registered Shareholder who is a Non-Objecting Beneficial Owner ("NOBO")**, please complete, sign, date and return the enclosed Proxy, whether or not you plan to personally attend. Sending your Proxy will not prevent you from voting in person at the Meeting. All Proxies completed by Registered Shareholders must be received by Matrix's transfer agent, **Canadian Stock Transfer Company, administrative agent for CIBC Mellon Trust Company**, (i) by mail in the enclosed envelope or otherwise to PO Box 721, Agincourt, Ontario, M1S 0A1 Attention: Proxy Department, or (ii) by fax to 1-866-781-3111, in each case no later than Friday, June 21, 2013 at 3:00 p.m. (Pacific time). **Non-Registered Shareholders** whose Common Shares are registered in the name of an intermediary and who are **Objecting Beneficial Owners ("OBOs")** should carefully follow voting instructions provided by the intermediary. More detailed instructions on returning Proxies by Non-Registered Shareholders can be found beginning on page 2 of the Circular.

If you receive more than one Proxy for the Meeting, it is because your shares are registered in more than one name. To ensure that all of your shares are voted, you should sign and return all proxies that you receive.

DATED at Vancouver, British Columbia, this 17th day of May, 2013.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "L. Bell", written over a horizontal line.

Lawrence I. Bell
Chairman of the Board

Whether or not you expect to attend the Meeting in person, please complete, sign, date and return the Proxy at your earliest convenience. The accompanying Circular provides further information respecting Proxies and the matters to be considered at the Meeting and is deemed to form part of this Notice of Meeting.

BUSINESS OF THE MEETING

Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2012 and the auditors' report thereon have been sent to Registered Shareholders of the Company and filed on SEDAR at www.sedar.com and will be presented to Shareholders at the Meeting. Matrix commenced operations and became a TSX-listed company on completion of the business combination of Growth Works Ltd. ("GrowthWorks") and SEAMARK Asset Management Ltd. ("SEAMARK") as at January 15, 2010 (the "Business Combination").

Election of Directors

The Company's articles provide that the Board of Directors of Matrix (the "Board") will consist of a minimum of one and a maximum of ten directors. At present, the Board has fixed the number of directors at six.

Management proposes the six persons named below for election as directors of Matrix, each of whom will hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed. **If Shareholders do not specify how they want their Common Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the election of the nominees listed below as directors of Matrix, to hold office until the close of the next annual meeting of shareholders or until their successors are duly elected or appointed. If you appoint a person as Proxyholder other than the persons named in the enclosed form of Proxy, the Proxy may be voted at the appointed person's discretion.** If any of the listed nominees shall become unavailable to serve prior to the Meeting, the Proxyholder will have the right to use their discretion in voting for a properly qualified substitute.

The election of each of the directors must be approved by a simple majority of the votes cast at the Meeting, whether by Proxy or in person. Each of the proposed nominees is now a director of Matrix, has served as a director since the date he first became a director and, except as noted below, has held the principal occupation listed below for the last five years.

The tables below set out the names of the proposed nominees, their residence, their principal occupation, including positions or offices with Matrix and its affiliates, their current membership on committees of the Board of Directors, and the number of securities of Matrix they beneficially own or exercise voting control or direction over, including Restricted Shares and DSUs (each as described in "Securities Authorized for Issuance under Equity Compensation Plans"). Each of the nominees has served as a Director of Matrix since January 15, 2010, except for David Balsdon who was elected May 15, 2012.

DAVID K. BALSDON MISSISSAUGA, ONTARIO	Mr. Balsdon is the Chief Operating Officer of Matrix (since May 2011) and is also the Chief Operating Officer (since May 2010) and Chief Compliance Officer (since November 2010) of GrowthWorks Capital Ltd. and the Chief Compliance Officer of SEAMARK (since December 2011). Mr. Balsdon is also a director of GrowthWorks Capital Ltd. and SEAMARK. In addition to these duties, he is also the Secretary-Treasurer and a Director of the general partner of the Matrix resource limited partnerships. Prior to these appointments, Mr. Balsdon was Chief Compliance Officer of Mavrix Fund Management Inc. ("Mavrix") since April 2008, Secretary-Treasurer of Mavrix since January 2004 and Vice-President, Operations & Administration of Mavrix from September 2001 to July 2010.
Securities Shares Owned, Controlled or Directed	
40,828 Common Shares (unrestricted) ¹	300,000 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2012
Board	11/11

LAWRENCE I. BELL VERNON, BRITISH COLUMBIA	Mr. Bell has served as a director of Matrix since January 15, 2010 and is the Chairman of the Board of Matrix. Prior to the Business Combination he was a director of GrowthWorks. Mr. Bell was the Chairman of Canada Line (Rapid Transit Project) and served as the Non-executive Chairman of British Columbia Hydro and Power Authority until December 2007. From August 2001 to November 2003, Mr. Bell was Chairman and CEO of British Columbia Hydro and Power Authority. He is also a director of Goldcorp Inc., Capstone Mining Corp., and Silver Wheaton Corp. and is former chairman of the Board of Governors of the University of British Columbia. Prior to these positions, Mr. Bell was Chairman and President of the Westar Group and CEO of Vancouver City Savings Credit Union. In British Columbia's public sector, Mr. Bell has served as Deputy Minister of Finance and Secretary to the Treasury Board. He holds a Bachelor of Arts degree and an Honorary Ph.D from the University of British Columbia. He also holds a Master of Arts degree from San Jose State University. Mr. Bell is a fellow of the Institute of Corporate Directors.
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Securities Owned, Controlled or Directed	
162,557 Common Shares (unrestricted) ¹	218,429 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2012
Board (Chair) Governance and Compensation Committee (Chair)	15/16 4/4

DAVID R. LEVI VANCOUVER, BRITISH COLUMBIA	Mr. Levi has served as a director of both Matrix and SEAMARK since January 15, 2010 and is the President & CEO of Matrix. Mr. Levi is also the President & CEO and a director of GrowthWorks and its affiliates, including Growth Works Capital Ltd. and SEAMARK. Mr. Levi is also President & CEO and a director of Working Opportunity Fund (EVCC) Ltd., GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd. and is also a director of GrowthWorks Atlantic Venture Fund Ltd. In late 1998, Mr. Levi founded GrowthWorks and in early 1999 Growth Works Capital Ltd. assumed management of Working Opportunity Fund (EVCC) Ltd. In 2002, Mr. Levi led GrowthWorks' acquisition of the company that previously managed GrowthWorks Canadian Fund Ltd. Mr. Levi is also a director and President of Working Enterprises Ltd., a Vancouver-based holding company that provides financial, travel, and other services to unions, credit union members, and the general public. Prior to launching Working Opportunity Fund (EVCC) Ltd., Mr. Levi was chair of Vancouver City Savings Credit Union and remained as a director until 1996. He is also a past director of the Canadian Venture Capital Association. Mr. Levi has provided strategic direction to many portfolio companies and currently serves on the board of Avcorp Industries Inc. He also serves on the board of Verite, an independent, non-profit social auditing and research organization and is involved in a number of community organizations.
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Securities Owned, Controlled or Directed	
6,397,773 Common Shares (unrestricted) ^{1,2&3}	nil Restricted Shares
Board/Committee Membership	Meeting Attendance during 2012
Board	16/16

DALE G. PARKER VANCOUVER, BRITISH COLUMBIA	Mr. Parker has served as a director of Matrix since January 15, 2010. Mr. Parker was a director of GrowthWorks prior to the Business Combination. Prior to January 1998, Mr. Parker was President and CEO of Workers' Compensation Board of British Columbia; prior to November 1994, he was President of White Spot Limited and Executive Vice-president of Shato Holdings Ltd. and prior to November 1992, Chairman and CEO of British Columbia Financial Institutions Commission. Mr. Parker is a former President and CEO of the Bank of British Columbia and executive vice-president, Bank of Montreal. He is the Chair of the UBC Investment Management Trust and a director of Encorp Pacific (Canada). Past directorships include TransLink (Board Chair), Talisman Energy Inc., Industrial-Alliance Pacific Life Insurance Co. and CPP Investment Board. Mr. Parker is active with a number of charitable and non-profit organizations, including; Chair, Pacific Parkinsons Research Institute, Director, Transit Police Services and Director, Fraser Basin Council. Mr. Parker is a graduate of the Advanced Management Program of the Graduate School of Business Administration, Harvard University and is a former member of the UBC Faculty of Commerce & Business, Advisory Board.
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Securities Owned, Controlled or Directed	
99,138 Common Shares (unrestricted) ¹	60,787 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2012
Board Audit Committee (Chair)	16/16 6/6

D. STEPHEN RANKIN HALIFAX, NOVA SCOTIA	Mr. Rankin has served as a director of Matrix since January 15, 2010 and is a former director of SEAMARK. Mr. Rankin served as the Non-executive Chairman of SEAMARK from October 2006 until January 2010. He retired as Chairman and CEO of the Cape Breton Development Corporation in 1984. He has also served as Chair of Seagull Pewter & Silversmiths Ltd. and Vice-president of Stora Forest Industries of Nova Scotia and Sweden. He has served as a member of the Nova Scotia Development Board, the Economic Council of Canada, and the Board of Governors of St. Francis Xavier University and the Technical University of Nova Scotia.
Securities Owned, Controlled or Directed	
26,106 Common Shares (unrestricted)	100,000 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2012
Board	16/16
Audit Committee	6/6
Governance & Compensation Committee	4/4

JOHN T. SHIELDS VICTORIA, BRITISH COLUMBIA	Mr. Shields has served as a director of Matrix since January 15, 2010. Mr. Shields was a director of GrowthWorks prior to the Business Combination. Mr. Shields is President and senior principal of John T. Shields Consulting Ltd. and is a director of the Columbia Institute. Mr. Shields has been an instructor in labour relations and negotiations at the School of Management at Vancouver Island University since June 2010. Mr. Shields holds a Master Degree in theology from St. Paul's College in Washington, DC. He was President of the B.C. Government and Service Employees' Union (BCGEU) for fourteen years (1985-1999) and has served on the board of the Victoria United Way and held a key cabinet position on the United Way Campaign Team. He was a founding member of the Leadership Victoria Board and served as its Program Director and Chair.
Securities Owned, Controlled or Directed	
32,397 Common Shares (unrestricted) ¹	100,000 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2012
Board	16/16
Audit Committee	N/A
Governance & Compensation Committee	4/4

- (1) The numbers of unrestricted Common Shares held by each of Messrs. Bell, Levi, Parker and Shields includes Common Shares subject to escrow arrangements established in connection with the Business Combination. Some of the Common Shares are released from escrow over four years from the closing date of the Business Combination, with 25% released each year. The remainder were released as at the second anniversary of the Business Combination. Holders are entitled to exercise voting rights and receive any dividends declared in respect of the escrowed Common Shares.
- (2) Mr. Levi also holds 501 voting shares of each of GrowthWorks WV Management Ltd. and GrowthWorks Atlantic Ltd. jointly with Working Enterprises Ltd. representing 50.1% of the outstanding voting shares of each of these companies. These shares have no economic participation of any kind. In connection with the Business Combination, voting shares of these companies were issued to David Levi and Working Enterprises Ltd. in order to provide additional comfort to the sponsor of the venture capital investment funds managed by these entities, namely GrowthWorks Canadian Fund Ltd., GrowthWorks Commercialization Fund Ltd. and GrowthWorks Atlantic Venture Fund Ltd. Working Enterprises Ltd. was a large shareholder of GrowthWorks prior to the Business Combination and is the largest shareholder of Matrix, holding 16,938,801 Common Shares.
- (3) Mr. Levi holds 1,190,556 Common Shares directly and controls DLN Funtimes Ltd. which holds 4,266,907 Common Shares. He controls the David Levi Family Trust which holds 681,997 Common Shares and he controls the David Levi Family Trust 2009 which holds 258,313 Common Shares.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of Matrix, except as set out below, none of the nominees for election to the Board (a) is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the person was acting in that capacity; or (ii) was subject to an Order that was issued after the person ceased to act in that capacity but which resulted from an event that occurred while that person acted in that capacity, (b) is, or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets. Dale Parker was a director of Century Mining Corporation which, from May 2008 to July 2008, was subject to a cease trade order issued by the British Columbia Securities Commission as a result of the corporation's failure to file technical reports and interim financial statements and related management's discussion and analysis.

Penalties and Sanctions

To the knowledge of Matrix, none of the nominees for election to the Board nor any personal holding companies owned or controlled by any of them (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for the nominee.

Appointment of Auditors

It is proposed that Deloitte & Touche LLP, the present auditors of Matrix, be reappointed as auditors of Matrix until the next annual meeting of Shareholders and that the Board be authorized to fix the remuneration to be paid to the auditors. Deloitte & Touche LLP became auditors of Matrix on February 4, 2010. Information regarding audit fees and non-audit services provided by Deloitte & Touche LLP to Matrix is provided in Matrix's Annual Information Form for the year ended December 31, 2012 filed on SEDAR. The engagement of Deloitte & Touche LLP to provide non-audit services requires the prior approval of the Audit Committee.

Management of the Company recommends that Shareholders vote in favour of the resolution appointing Deloitte & Touche LLP as auditors of the Company. If Shareholders do not specify how they want their Common Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the appointment of Deloitte & Touche LLP as auditors of Matrix at the remuneration to be fixed by the Board. If you appoint an alternate Proxyholder, the Proxy may be voted at his or her discretion.

The appointment of auditors must be approved by a simple majority of the votes cast at the Meeting, whether by Proxy or in person.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section provides a discussion of the components and the objectives behind the compensation of the President & Chief Executive Officer, David Levi, Chief Financial Officer, Clint Matthews, Chief Operating Officer, David Balsdon, Chief Investment Officer, Venture Capital, Timothy Lee, Senior Vice-President, National Sales and Marketing, Wan Kim, and former Senior Vice-President, National Sales and Marketing, Deborah Gray (collectively, the Named Executive Officers or "NEOs") for the financial year ended December 31, 2012.

2010 was the first operating year for the Company. In fiscal 2010, management of the Company together with the Board of Directors, in particular the Governance & Compensation Committee (the "G&C Committee"), worked together to develop a common compensation framework, including a common long term incentive plan that aligns the interests of the Company with its employees aimed at driving growth and improving results. In fiscal 2012, the G&C Committee continued to work with management of the Company to ensure that compensation levels for employees of Matrix, including the NEOs, are in line with the Company's compensation philosophy and objectives.

Governance & Compensation Committee

The Board of Directors created the G&C Committee to assist the Board with evaluating Board, executive and employee compensation, incentive plans and compensation policies adopted by the Company. The members of the G&C Committee are Lawrence Bell (Chair), John Shields and Stephen Rankin. All members of the G&C Committee are independent directors.

The G&C Committee is responsible for reviewing and making recommendations to the Board of Directors regarding all matters related to the compensation of Matrix's directors and executive officers, including the NEOs. The key G&C Committee responsibilities relating to NEO compensation are summarized below:

- The G&C Committee reviews the Company's compensation philosophy, plans, and policies, including any benefit or incentive plans and programs including equity-based plans.
- The G&C Committee annually reviews and assesses the CEO's goals and objectives for the upcoming financial year, conducts annual evaluations of the CEO's performance in light of the approved goals and objectives, and based on the evaluation, recommends the compensation of the CEO to the Company's Board of Directors, including any incentive awards, bonus or other remuneration.
- The G&C Committee annually reviews, with the CEO, the compensation approach for senior management, and annually reviews a report from the CEO regarding the compensation of each executive officer and the other members of senior management, including any incentive award, bonus or other remuneration, except equity-based compensation which must be approved by the Board.

- The G&C Committee also administers any equity-based compensation or incentive plan for the executive officers, senior management and employees of the Company in conjunction with senior management.

Each G&C Committee member has direct experience that is relevant to his responsibilities in executive compensation, as well as the skills and experience that enable him to make informed decisions on the suitability of the Company's policies and practices. More specifically, each committee member has held a number of executive management roles, in many cases as Chief Executive Officer or Chairman of companies where the human resources department was reporting to them.

For example, Mr. Bell held the position of Chief Executive Officer and was a member of the board of directors of various corporations where he gained extensive experience in human resources and compensation policies. Furthermore, he is currently a member of several boards of directors, including Capstone Mining Corp. and Silver Wheaton Corp., where human resources and compensation issues are the object of discussions and recommendations as a matter of course for a public company. Mr. Bell is also the chair of the Governance & Compensation Committee of Goldcorp Inc. which employs more than 12,000 people worldwide. Mr. Rankin has held the position of Chief Executive Officer or Chairman of several companies including, SEAMARK, Cape Breton Development Corp. and Seagull Pewter & Silversmiths Ltd. through which he gained experience in overseeing all aspects of the human resources function, including staffing, compensation policies, training, and succession planning. Mr. Rankin has also served as a member of the Nova Scotia Development Board, the Economic Council of Canada, and the Board of Governors of St. Francis Xavier University and the Technical University of Nova Scotia where he has gained experience with respect to executive compensation and human resources issues. Lastly, Mr. Shields is an instructor in labour relations and negotiations at the School of Management at Vancouver Island University and brings wide-ranging expertise related to human resource issues and compensation policies. Mr. Shields was also the President of the B.C. Government and Service Employees Union (BCGEU) for fourteen years (1985-1999) where he has gained experience with respect to executive compensation and human resources issues.

The Company strives to offer a competitive compensation package to its executive officers that will attract and retain high quality employees. Matrix's compensation philosophy is based on providing fair, equitable, consistent and market-competitive compensation throughout the organization. The Company also seeks to align the interests of its executive officers with the long term interests of the Company and its Shareholders through share-based awards.

In 2010, the G&C Committee engaged Towers Watson to prepare a customised compensation analysis report to assist the G&C Committee to ensure the market competitiveness of the NEOs' compensation (the "2010 Executive Compensation Analysis Report"). The report reviewed the Company's NEO compensation against NEOs of six of its industry peers. The following select industry peers were used in the 2010 Executive Compensation Analysis Report: Clairvest Group Inc., Aston Hill Financial Inc., Integrated Asset Management Corp., Sceptre Investment Council Inc., Jovian Capital Group and Guardian Capital Group Ltd. This benchmark group is considered to be relevant based on the nature of their businesses and assets under management ("AUM"). In addition, the report compared the Company's NEO compensation to the data contained within the Towers Watson 2010 Investment Management Compensation Survey. The G&C Committee received and considered the 2010 Executive Compensation Analysis Report during salary reviews for 2011 and 2012. Matrix also participated in the Towers Watson Investment Management Compensation Survey in 2011 and is currently participating for 2013 in order to have access to industry specific compensation data. This data is considered in NEO salary decisions to ensure market competitiveness.

Executive Compensation Related Fees

For the year ended December 31, 2010, Matrix paid Towers Watson a total of \$21,882 (including tax) for the 2010 reports referred to above, a 2010 report on Matrix's director compensation plan (See "Director Compensation" below) and related consulting services. For the year ended December 31, 2011, Matrix paid Towers Watson a total of \$2,800 (including tax) for the Towers Watson 2011 Investment Management Compensation Survey and was billed \$30,950 (including tax) for the preparation of actuarial reports and related services in connection with Mr. Levi's pension plan (See "Pension Plan Benefits - David Levi" below). For the year ended December 31, 2012, Matrix paid Towers Watson a total of \$37,286 (including tax) for the same pension plan related services.

Risk Oversight

Each year, the G&C Committee reviews and approves the Company's compensation policies and practices, taking into consideration compensation-related risks, as well as each compensation component more fully described below. During the review performed for the current financial year, the G&C Committee has not identified any risks associated with the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. The risks and uncertainties that are likely to have a material adverse effect on the Company are disclosed quarterly in the Company's Management Discussion & Analysis of the Company's financial condition and results of operations. No such risks relate to the Company's compensation policies and practices. The Company has not adopted a policy forbidding insiders from purchasing financial instruments relating to the Company's shares, however the Company is not aware of any insider having entered into this type of transaction.

Elements of the Compensation Program

NEO compensation consists of the following elements: base salary, annual performance-based incentive, long term incentive (Restricted Share Plan), retirement plan contribution, benefits and perquisites. The elements of compensation are described in detail below.

Base Salary

The base salaries for the NEOs are the fixed component of their annual compensation. It is the Company's objective that the base salaries fall at or above the median of the Company's industry peers with median AUM that is comparable to the Company. Matrix continued to rely on the 2010 Executive Compensation Analysis Report as well as the Towers Watson 2011 Investment Management Compensation Survey to review NEO salaries in 2012. Base salary is reviewed each year and may be increased as required based on any increase in the NEO's role within Matrix or general changes in market salary levels.

Annual Performance-Based Incentive

The annual performance-based incentive is the variable component of the NEOs' compensation. It is designed to (i) ensure that total compensation paid to the NEOs for the year is appropriate in light of the Company's performance and the NEO's individual contributions to the Company, (ii) align the NEO's interests with those of Shareholders, clients and the Company, (iii) pay for performance, and (iv) attract, retain and motivate the NEOs.

Each NEO is eligible to earn an annual performance-based incentive generally equal to 25% of his annual salary. The portion of the annual performance-based incentive that the NEO qualifies for is determined by reference to overall corporate performance and to the NEO's achievement of individual goals as agreed to at the beginning of the performance year. Please see "Determining Individual Compensation" below.

The annual performance-based incentive is normally paid by April 30th in cash for the prior year's performance. However, no annual performance-based incentives were paid for 2012. Please see "Summary Compensation Table" below.

Long Term Incentive - Restricted Share Plan

The Company has adopted a Restricted Share Plan aimed at aligning the interests of its executive officers and employees with the long term interests of the Company and its Shareholders. Participants are granted Restricted Shares by the Board of Directors (either from treasury or in the form of previously issued Common Shares acquired under the Restricted Share Plan for that purpose) with vesting and trading restrictions attached to them. The Restricted Shares are granted in full on the date of grant but vest in five equal increments over five years. If Restricted Shares do not vest, they are forfeited back to the Company. To vest annually, the Participant must continue to be employed within the Matrix group and have sufficiently met their performance goals for the year. Once vested, Participants may exercise voting rights attached to their Restricted Shares. No Restricted Shares can be sold during the first three years. After three years, up to 40% can be sold and after five years, the remainder can be sold. Subject to the restrictions noted above, a Participant will have ownership of Restricted Shares granted and enjoy the same rights and benefits as other Shareholders, including the right to receive any dividends or special distributions, from the date of grant. For a more detailed description, see "Securities Authorized for Issuance under Equity Compensation Plans – The Matrix Restricted Share Plan".

Restricted Share grants are made according to eight "job bands" in the Matrix group of companies for consistency and fairness. A "top-up" approach is taken in awarding grants so that current shareholdings of the Company are considered. Each employee with a job within a specific band therefore has the same number of Common Shares as their shareholding target, unless their existing shareholdings already exceeded the "job band" level. The "job band" level for the NEOs was set at 250,000 Common Shares. As Mr. Levi holds in excess of 250,000 Common Shares, he has not been awarded Restricted Shares pursuant to the Matrix Restricted Share Plan.

Generally, awards under the Matrix Restricted Share Plan are one time grants, not annual grants. Additional grants are not made to employees, except where an employee is promoted and moves into a higher "job band" and is granted additional shares to attain that band's higher shareholding target level.

Retirement Contributions

Mr. Levi participates in a defined benefit plan sponsored by Matrix. Matrix paid a total of \$37,034 to Mr. Levi's pension during 2012. This pension plan is maintained by an external company and the pension contributions are determined annually based on a Towers Watson actuarial report. Please see section below entitled "Pension Plan Benefits" for further details.

For the other NEOs, a retirement savings contribution equal to 5% of the earned base salary is made annually directly into their respective retirement savings accounts. This contribution is made before February 28 based on the prior year's earnings.

Benefits

The NEOs participate in the same corporate benefits programs as other Matrix employees, including group health benefits (medical, dental, life, short and long term disability). The short and long term disability coverage for all executives of the Company is enhanced with higher maximum benefit levels.

Perquisites

Matrix provides a limited number of perquisites to its NEOs which vary by title but do not account for a material portion of the overall compensation of the NEOs. The G&C Committee awards these perquisites as tools for attraction, retention and motivation of NEOs.

Determining Individual Compensation

The G&C Committee works with the CEO to obtain the necessary information to support its compensation recommendations to the Board of Directors. The G&C Committee engages in active discussions with the CEO concerning the determination of performance objectives, including individual goals for the NEOs. The G&C Committee directs the CEO to gather information on its behalf and provide initial analysis and commentary, including business goals, corporate performance, individual goals, individual performance and investment performance. Overall corporate performance is first considered to determine a maximum bonus amount available for payment. Following that, the discussions focus on whether, and to what extent, criteria for the previous year have been achieved for the NEOs. The CEO also provides a self-assessment of his performance objectives and results for the previous year to the G&C Committee.

For the CEO, the G&C Committee annually reviews and assesses the CEO's goals and objectives for the upcoming financial year and makes recommendations to the Board as required. The G&C Committee will conduct an annual evaluation of the CEO's performance in light of the approved goals and objectives, and report the results of the evaluation to the Board. Based on the results of the annual evaluation, the G&C Committee will recommend the compensation of the CEO, including any incentive award, bonus or other remuneration, to the Board for approval.

President and Chief Executive Officer

Mr. Levi's performance objectives for 2012 were as follows:

- Begin the rebuilding of institutional assets by making changes to the portfolio management team and improving investment results
- Raise \$18M of new retail venture funds
- Raise \$423M in retail assets, including mutual funds, flow through offerings and new products
- Execute a letter of intent for an acquisition of a minimum of \$200M in assets
- Attain EBITDA of \$5.7M for the year
- Attain Total Free Cash Flow for dividends of \$3.9M for the year
- Attain an AUM of \$2.0B at year end
- Raise \$5M in either sub debt or equity
- Achieve \$4M in cost reductions

*EBITDA is earnings before interest, taxes, depreciation and amortization.

The Named Executive Officers (excluding the President & Chief Executive Officer)

With respect to the other executive officers and members of senior management, the G&C Committee will annually review a report from the CEO regarding any material compensation adjustments of each NEO and the other members of senior management, including any incentive award, bonus or other remuneration, except equity-based compensation which must be approved by the Board.

Mr. Levi, as CEO, assesses the other NEOs' individual performance. The performance goals for the NEOs were established by Mr. Levi at the beginning of 2012 as part of the corporate strategic planning process. The CEO establishes the annual corporate goals (together with the senior management team). The goals of the senior management team cascade from the corporate goals to ensure alignment of objectives. The 2012 performance objectives for each current NEO are set out below.

Clint Matthews, Chief Financial Officer

- Provide leadership and direction to the Corporate Accounting and Fund Accounting teams nationally
- Monitor and report fund liquidity on an accurate and timely basis
- Effectively manage corporate cash flow
- Ensure full compliance with financial regulatory requirements and reporting

- Ensure corporate and fund financial compliance with International Financial Reporting Standards
- Develop and meet budget targets for revenue and operational expenses

David Balsdon, Chief Operating Officer

- Support the President & CEO and lead and serve as an effective member of the Senior Management Team
- Provide leadership and direction to Operations and Compliance departments and personnel nationally (including Information Systems, Client Services, Marketing, Human Resources, Investor Relations and Finance)
- Develop and meet budget targets for revenue and operational expenses
- Develop and oversee effective scalable back office operations to support retail fund offerings (RVC, mutual funds, resource limited partnerships and closed end funds) and institutional and high net worth divisions
- Identify and implement integration strategies for back-office systems and processes, registration and compliance
- Provide leadership and direction as part of the Senior Management Team in identifying merger and acquisition opportunities as well as new fund product development and delivery

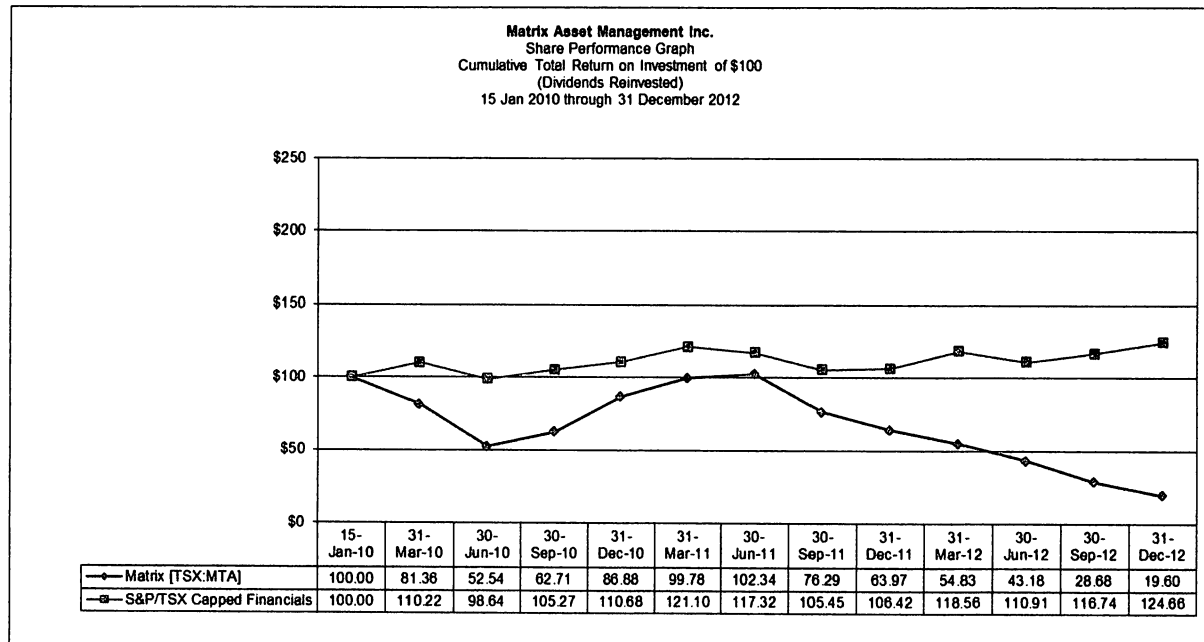
Tim Lee, Chief Investment Officer – Venture Capital

- Provide leadership to the venture capital investments team nationally
- Meet all annual targets as set for each regional venture capital fund regarding dollars invested, dollars in exits and return on investment

Wan Kim, Senior Vice-President, National Sales and Marketing

- Develop national sales and marketing strategies
- Meet sales targets for all funds
- Provide leadership and direction to the sales and marketing teams nationally
- Increase awareness of the Matrix brand through messaging, media relations, promotions and publicity
- Meet budget targets for revenues and operational expenses

Performance Graph



During the last year, Matrix’s cumulative total return was less than the S&P/TSX Capped Financials Index. The Company did not consider Matrix’s share price when setting NEO compensation for 2012.

Option-Based Awards

For information on the Matrix Stock Option Plan, see “Securities Authorized for Issuance under Equity Compensation Plans – The Matrix Stock Option Plan” below.



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

for the

ANNUAL MEETING OF SHAREHOLDERS

to be held May 15, 2012



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual meeting (the “**Meeting**”) of shareholders of **Matrix Asset Management Inc./ Matrix Gestion d’actifs inc.** (“**Matrix**” or the “**Company**”) will be held at the Four Seasons Hotel, Vancouver, British Columbia on Tuesday, May 15, 2012 at 3:00 p.m. (Vancouver time) for the following purposes:

1. to receive the consolidated financial statements of the Company for the financial year ended December 31, 2011, together with the auditors’ report thereon;
2. to elect directors of the Company for the ensuing year;
3. to reappoint Deloitte & Touche LLP, Chartered Accountants, as auditors of the Company and authorize the directors to fix the auditors’ remuneration;
4. to consider amendments or variations to any matter identified in this Notice of Meeting; and
5. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

Details of these matters are set forth in the Circular which accompanies this Notice of Meeting. This Notice of Meeting is also accompanied by a form of Proxy for the Meeting and a reply card for use by shareholders who wish to request copies of the Company’s interim and annual financial statements and management’s discussion and analysis thereof.

Only shareholders of record as of the close of business on Tuesday, March 27, 2012 are entitled to receive notice of the Meeting and to vote at the Meeting. To assure your representation at the Meeting as a **Registered Shareholder or a Non-Registered Shareholder who is a Non-Objecting Beneficial Owner (“NOBO”)**, please complete, sign, date and return the enclosed Proxy, whether or not you plan to personally attend. Sending your Proxy will not prevent you from voting in person at the Meeting. All Proxies completed by Registered Shareholders must be received by Matrix’s transfer agent, **CIBC Mellon Trust Company**, (i) by mail in the enclosed envelope or otherwise to PO Box 721, Agincourt, Ontario, M1S 0A1 Attention: Proxy Department, or (ii) by fax to 1-866-781-3111, in each case no later than Friday, May 11, 2012 at 3:00 p.m. (Pacific time). **Non-Registered Shareholders** whose Common Shares are registered in the name of an intermediary and who are **Objecting Beneficial Owners (“OBOs”)** should carefully follow voting instructions provided by the intermediary. More detailed instructions on returning Proxies by Non-Registered Shareholders can be found beginning on page 2 of the Circular.

If you receive more than one Proxy for the Meeting, it is because your shares are registered in more than one name. To ensure that all of your shares are voted, you should sign and return all proxies that you receive.

DATED at Vancouver, British Columbia, this 27th day of March, 2012.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "L. Bell", written over a horizontal line.

Lawrence I. Bell
Chairman of the Board

Whether or not you expect to attend the Meeting in person, please complete, sign, date and return the Proxy at your earliest convenience. The accompanying Circular provides further information respecting Proxies and the matters to be considered at the Meeting and is deemed to form part of this Notice of Meeting.

BUSINESS OF THE MEETING

Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2011 and the auditors' report thereon have been sent to Registered Shareholders of the Company and filed on SEDAR at www.sedar.com and will be presented to Shareholders at the Meeting. Matrix commenced operations and became a TSX-listed company on completion of the business combination of Growth Works Ltd. ("GrowthWorks") and SEAMARK Asset Management Ltd. ("SEAMARK") as at January 15, 2010 (the "Business Combination").

Election of Directors

The Company's articles provide that the Board of Directors of Matrix (the "Board") will consist of a minimum of one and a maximum of ten directors. Matrix's Board of Directors is of the opinion that seven directors is an appropriate size for the Board at this time. At present, the Board has fixed the number of directors at seven, subject to the right of the Board to appoint additional directors between shareholder meetings should this be considered appropriate in the circumstances. Management proposes the seven persons named below for election as directors of Matrix, each of whom will hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed. Mr. David Balsdon is standing for election in place of Mr. Brent Barrie who will retire from his role as a director of Matrix at the Meeting **If Shareholders do not specify how they want their Common Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the election of the nominees listed below as directors of Matrix, to hold office until the close of the next annual meeting of shareholders or until their successors are duly elected or appointed.** If any of the listed nominees shall become unavailable to serve prior to the Meeting, the Proxyholder will have the right to use their discretion in voting for a properly qualified substitute.

The election of each of the directors must be approved by a simple majority of the votes cast at the Meeting, whether by Proxy or in person. Each of the proposed nominees, other than David Balsdon, is now a director of Matrix, has served as a director since the date he first became a director and, except as noted below, has held the principal occupation listed below for the last five years.

The tables below set out the names of the proposed nominees, their residence, their principal occupation, including positions or offices with Matrix and its affiliates, the date they became a director, their current membership on committees of the Board of Directors, and the number of securities of Matrix they beneficially own or exercise voting control or direction over, including Restricted Shares and DSUs (each as described in "Securities Authorized for Issuance under Equity Compensation Plans").

DAVID K. BALSDON MISSISSAUGA, ONTARIO	Mr. Balsdon is the Chief Operating Officer of Matrix (since May 2011) and is also the Chief Operating Officer (since May 2010) and Chief Compliance Officer (since November 2010) of GrowthWorks Capital Ltd and the Chief Compliance Officer and Chief Operating Officer of SEAMARK (since December 2011). Mr. Balsdon is also a director of GrowthWorks Capital Ltd. and SEAMARK. In addition to these duties, he is also the Secretary-Treasurer and a Director of the general partner of the Matrix resource limited partnerships. Prior to these appointments, Mr. Balsdon was Vice President and Secretary-Treasurer for Mavrix Fund Management Inc. from April 2004 to March 2010.		
Securities Shares Owned, Controlled or Directed			
150,000 Restricted Shares			
Board/Committee Membership		Meeting Attendance during 2011	
N/A		N/A	

LAWRENCE I. BELL VERNON, BRITISH COLUMBIA	<p>Mr. Bell has served as a director of Matrix since January 15, 2010 and is the Chairman of the Board of Matrix. Prior to the Business Combination he was a director of GrowthWorks. Mr. Bell was the Chairman of Canada Line (Rapid Transit Project) and served as the Non-executive Chairman of British Columbia Hydro and Power Authority until December 2007. From August 2001 to November 2003, Mr. Bell was Chairman and CEO of British Columbia Hydro and Power Authority. He is also a director of Goldcorp Inc., Capstone Mining Corp., International Forest Products Limited and Silver Wheaton Corp. and is former chairman of the Board of Governors of the University of British Columbia. Prior to these positions, Mr. Bell was Chairman and President of the Westar Group and CEO of Vancouver City Savings Credit Union. In British Columbia's public sector, Mr. Bell has served as Deputy Minister of Finance and Secretary to the Treasury Board. He holds a Bachelor of Arts degree and an Honorary Ph.D from the University of British Columbia. He also holds a Master's of Arts degree from San Jose State University. Mr. Bell is a fellow of the Institute of Corporate Directors.</p>
Securities Owned, Controlled or Directed	
116,921 Common Shares (unrestricted) ¹	218,429 Restricted Shares ²
Board/Committee Membership	Meeting Attendance during 2011
Board (Chair) Governance and Compensation Committee (Chair)	10/11 4/4

DAVID R. LEVI VANCOUVER, BRITISH COLUMBIA	<p>Mr. Levi has served as a director of both Matrix and SEAMARK since January 15, 2010 and is the President & CEO of Matrix. Mr. Levi is also the President & CEO and a director of GrowthWorks and its affiliates, including Growth Works Capital Ltd. and SEAMARK. Mr. Levi is also President & CEO and a director of Working Opportunity Fund (EVCC) Ltd., GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd. and is also a director of GrowthWorks Atlantic Venture Fund Ltd. In late 1998, Mr. Levi founded GrowthWorks and in early 1999 Growth Works Capital Ltd. assumed management of Working Opportunity Fund (EVCC) Ltd. In 2002, Mr. Levi led GrowthWorks' acquisition of the company that previously managed GrowthWorks Canadian Fund Ltd. Mr. Levi is also a director and President of Working Enterprises Ltd., a Vancouver-based holding company that provides financial, travel, and other services to unions, credit union members, and the general public. Prior to launching Working Opportunity Fund (EVCC) Ltd., Mr. Levi was chair of Vancouver City Savings Credit Union and remained as a director until 1996. He is also a past director of the Canadian Venture Capital Association. Mr. Levi has provided strategic direction to many portfolio companies and currently serves on the board of Avcorp Industries Inc. He also serves on the board of Verite, an independent, non-profit social auditing and research organization and is involved in a number of community organizations.</p>
Securities Owned, Controlled or Directed	
5,363,208 Common Shares (unrestricted) ^{1,3&4}	nil Restricted Shares
Board/Committee Membership	Meeting Attendance during 2011
Board	11/11

G. PETER MARSHALL INGRAMPORT, NOVA SCOTIA	<p>Mr. Marshall has served as a director of Matrix since January 15, 2010 and is the founder of SEAMARK. Mr. Marshall founded SEAMARK in 1982 and is a former Chairman and CEO of SEAMARK. He served as a director of SEAMARK between November, 1982 and October, 2006. Mr. Marshall has 40 years' experience in the investment industry with a strong background in corporate finance, municipal bond underwriting, equity research and portfolio management. Prior to founding SEAMARK, Mr. Marshall worked for investment organizations in Montreal and Toronto. Mr. Marshall is a Commerce graduate from Dalhousie University in Halifax, Nova Scotia.</p>
Securities Owned, Controlled or Directed	
1,370,000 Common Shares (unrestricted)	100,000 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2011
Board Audit Committee	11/11 5/5

DALE G. PARKER VANCOUVER, BRITISH COLUMBIA	<p>Mr. Parker has served as a director of Matrix since January 15, 2010. Mr. Parker was a director of GrowthWorks prior to the Business Combination. Prior to January 1998, Mr. Parker was President and CEO of Workers' Compensation Board of British Columbia; prior to November 1994, he was President of White Spot Limited and Executive Vice-president of Shato Holdings Ltd. and prior to November 1992, Chairman and CEO of British Columbia Financial Institutions Commission. Mr. Parker is a former President and CEO of the Bank of British Columbia and executive vice-president, Bank of Montreal. He is a director of the UBC Investment Management Trust and Encorp Pacific (Canada). Past directorships include TransLink (Board Chair), Talisman Energy Inc., Industrial-Alliance Pacific Life Insurance Co and CPP Investment Board. Mr. Parker is active with a number of charitable and non-profit organizations, including; Chair, Pacific Parkinsons Research Institute, Vice-chair, Transit Police Services and member of the British Columbia Cancer Research Centre Building Committee. Mr. Parker is a graduate of the Advanced Management Program of the Graduate School of Business Administration, Harvard University and is a former member of the UBC Faculty of Commerce & Business, Advisory Board.</p>
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Securities Owned, Controlled or Directed	
75,337 Common Shares (unrestricted) ¹	60,787 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2011
Board Audit Committee (Chair)	11/11 5/5

D. STEPHEN RANKIN HALIFAX, NOVA SCOTIA	<p>Mr. Rankin has served as a director of Matrix since January 15, 2010 and is a former director of SEAMARK. Mr. Rankin served as the Non-executive Chairman of SEAMARK from October 2006 until January 2010. He retired as Chairman and CEO of the Cape Breton Development Corporation in 1984. He has also served as Chair of Seagull Pewter & Silversmiths Ltd. and Vice-president of Stora Forest Industries of Nova Scotia and Sweden. He has served as a member of the Nova Scotia Development Board, the Economic Council of Canada, and the Board of Governors of St. Francis Xavier University and the Technical University of Nova Scotia.</p>
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Securities Owned, Controlled or Directed	
11,000 Common Shares (unrestricted)	100,000 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2011
Board Audit Committee Governance & Compensation Committee	11/11 5/5 4/4

JOHN T. SHIELDS VICTORIA, BRITISH COLUMBIA	<p>Mr. Shields has served as a director of Matrix since January 15, 2010. Mr. Shields was a director of GrowthWorks prior to the Business Combination. Mr. Shields is President and senior principal of John T. Shields Consulting Ltd. and is a director of the Columbia Institute. Mr. Shields has been an instructor in labour relations and negotiations at the School of Management at Vancouver Island University since June 2010. Mr. Shields holds a Master's Degree in theology from St. Paul's College in Washington, DC. He was President of the B.C. Government and Service Employees' Union (BCGEU) for fourteen years (1985-1999) and has served on the board of the Victoria United Way and held a key cabinet position on the United Way Campaign Team. He was a founding member of the Leadership Victoria Board and served as its Program Director and Chair.</p>
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Securities Owned, Controlled or Directed	
15,577 Common Shares (unrestricted) ¹	100,000 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2011
Board Governance & Compensation Committee	11/11 4/4

- (1) The numbers of unrestricted Common Shares held by each of Messrs. Bell, Levi, Parker and Shields includes Common Shares subject to escrow arrangements established in connection with the Business Combination. Some of the Common Shares are released from escrow over four years from the closing date of the Business Combination, with 25% released each year. The remainder were released as at the second anniversary of the Business Combination. Holders are entitled to exercise voting rights and receive any dividends declared in respect of the escrowed Common Shares.
- (2) Mr. Bell has elected to receive his compensation from Matrix in the form of deferred stock units ("DSUs") granted under the Matrix Deferred Stock Unit Plan (the "Matrix DSU Plan") up to March 31, 2011. See "Securities Authorized for Issuance under Equity Compensation Plan – The Matrix DSU Plan" for additional information on this plan. Mr. Bell received a total of 68,264 DSUs in 2010 and 16,622 in 2011. A total of 16,427 of the DSUs have vested and a total of 68,459 of the DSUs were exchanged for restricted shares under the Matrix Restricted Share Plan. See "Director Compensation".
- (3) Mr. Levi also holds 501 voting shares of each of GrowthWorks WV Management Ltd. and GrowthWorks Atlantic Ltd. jointly with Working Enterprises Ltd. representing 50.1% of the outstanding voting shares of each of these companies. These shares have no economic participation of any kind. In connection with the Business Combination, voting shares of these companies were issued to David Levi and Working Enterprises Ltd. in order to provide additional comfort to the sponsor of the venture capital investment funds managed by these entities. Working Enterprises Ltd. was a large shareholder of GrowthWorks prior to the Business Combination and is the largest Shareholder of Matrix.
- (4) Mr. Levi holds 752,348 Common Shares directly and controls DLN Funtimes Ltd. which holds 3,831,229 Common Shares. He controls the David Levi Family Trust which holds 565,457 Common Shares and he controls the David Levi Family Trust 2009 which holds 214,174 Common Shares.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of Matrix, except as set out below, none of the nominees for election to the Board (a) is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the person was acting in that capacity; or (ii) was subject to an Order that was issued after the person ceased to act in that capacity but which resulted from an event that occurred while that person acted in that capacity, (b) is, or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets. Dale Parker was a director of Century Mining Corporation which from May 2008 to July 2008 was subject to a cease trade order issued by the British Columbia Securities Commission as a result of the corporation's failure to file technical reports and interim financial statements and related management's discussion and analysis.

Penalties and Sanctions

To the knowledge of Matrix, none of the nominees for election to the Board nor any personal holding companies owned or controlled by any of them (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into settlement agreement with a securities regulatory authority, or (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for the nominee.

Appointment of Auditors

It is proposed that Deloitte & Touche LLP, the present auditors of Matrix, be reappointed as auditors of Matrix until the next annual meeting of Shareholders and that the Board be authorized to fix the remuneration to be paid to the auditors. Deloitte & Touche LLP became auditors of Matrix on February 4, 2010. Information regarding audit fees and non-audit services provided by Deloitte & Touche LLP to Matrix is provided in Matrix's Annual Information Form for the year ended December 31, 2011 filed on SEDAR. The engagement of Deloitte & Touche LLP to provide non-audit services requires the prior approval of the Audit Committee.

Management of the Company recommends that Shareholders vote in favour of the resolution appointing Deloitte & Touche LLP as auditors of the Company. If Shareholders do not specify how they want their Common Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the appointment of Deloitte & Touche LLP as auditors of Matrix at the remuneration to be fixed by the Board.

The appointment of auditors must be approved by a simple majority of the votes cast at the Meeting, whether by Proxy or in person.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section provides a discussion of the components and the objectives behind the compensation of the President & Chief Executive Officer, David Levi, Chief Financial Officer, Clint Matthews, Chief Operating Officer, David Balsdon, Chief Investment Officer, Venture Capital, Timothy Lee, Senior Vice-President, National Sales and Marketing, Deborah Gray, former Chief Operating Officer, Alex Irwin, and former Chief Executive Officer of SEAMARK, Brent Barrie (collectively, the Named Executive Officers or "NEOs") for the financial year ended December 31, 2011.

2010 was the first operating year for the Company. In fiscal 2010, management of the Company together with the Board of Directors, in particular the Governance & Compensation Committee (the "G&C Committee"), worked together to develop a common compensation framework, including a common long term incentive plan that aligns the interests of the Company with its employees aimed at driving further growth and improving results. In fiscal 2011, the G&C Committee continued to work with management of the Company to ensure that compensation levels for employees of Matrix, including the NEOs, are in line with the Company's compensation philosophy and objectives.

Governance & Compensation Committee

The Board of Directors created the G&C Committee to assist the Board with evaluating Board, executive and employee compensation, incentive plans and compensation policies adopted by the Company. The members of the G&C Committee are Lawrence Bell (Chair), John Shields and Stephen Rankin. All members of the G&C Committee are independent directors.

The G&C Committee is responsible for reviewing and making recommendations to the Board of Directors regarding all matters related to the compensation of Matrix's directors and executive officers, including the NEOs. The key G&C Committee responsibilities relating to NEO compensation are summarized below:

- The G&C Committee reviews the Company's compensation philosophy, plans, and policies, including any benefit or incentive plans and programs including equity-based plans.
- The G&C Committee annually reviews and assesses the CEO's goals and objectives for the upcoming financial year, conducts annual evaluations of the CEO's performance in light of the approved goals and objectives, and based on the evaluation, recommends the compensation of the CEO to the Company's Board of Directors, including any incentive awards, bonus or other remuneration.
- The G&C Committee annually reviews, with the CEO, the compensation approach for senior management, and annually reviews a report from the CEO regarding the compensation of each executive officer and the other members of senior management, including any incentive award, bonus or other remuneration, except equity-based compensation which must be approved by the Board.
- The G&C Committee also administers any equity-based compensation or incentive plan for the executive officers, senior management and employees of the Company in conjunction with senior management.

Each G&C Committee member has direct experience that is relevant to his responsibilities in executive compensation, as well as the skills and experience that enable him to make informed decisions on the suitability of the Company's policies and practices. More specifically, each committee member has held a number of executive management roles, in many cases as Chief Executive Officer or Chairman of companies where the human resources department was reporting to them.

For example, Mr. Bell held the position of Chief Executive Officer and was a member of the board of directors of various corporations where he gained extensive experience in human resources and compensation policies. Furthermore, he is currently a member of several boards of directors, including Capstone Mining Corp., International Forest Products Ltd. and Silver Wheaton Corp., where human resources and compensation issues are the object of discussions and recommendations as a matter of course for a public company. Mr. Bell is also the chair of the Governance & Compensation Committee of Goldcorp Inc. which employs more than 12,000 people worldwide. Mr. Rankin has held the position of Chief Executive Officer or Chairman of several companies including, SEAMARK, Cape Breton Development Corp. and Seagull Pewter & Silversmiths Ltd. through which he gained experience in overseeing all aspects of the human resources function, including staffing, compensation policies, training, and succession planning. Mr. Rankin has also served as a member of the Nova Scotia Development Board, the Economic Council of Canada, and the Board of Governors of St. Francis Xavier University and the Technical University of Nova Scotia where he has gained experience with respect to executive compensation and human resources issues. Lastly, Mr. Shields is an instructor in labour relations and negotiations at the School of Management at Vancouver Island University and brings wide-ranging expertise related to human resource issues and compensation policies. Mr. Shields was also the President of the B.C. Government and Service Employees Union (BCGEU) for fourteen years (1985-1999) where he has gained experience with respect to executive compensation and human resources issues.

The Company strives to offer a competitive compensation package to its executive officers that will attract and retain high quality employees. Matrix's compensation philosophy is based on providing fair, equitable, consistent and market-competitive compensation throughout the organization. The Company also seeks to align the interests of its executive officers with the long term interests of the Company and its Shareholders through share-based awards.

In 2010, the G&C Committee engaged Towers Watson to prepare a customised compensation analysis report to assist the G&C Committee to ensure the market competitiveness of the NEOs' compensation (the "2010 Executive Compensation Analysis Report"). The report reviewed the Company's NEO compensation against NEOs of six of its industry peers. The following select industry peers were used in the 2010 Executive Compensation Analysis Report: Clairvest Group Inc., Aston Hill Financial Inc., Integrated Asset Management Corp., Sceptre Investment Council Inc., Jovian Capital Group and Guardian Capital Group Ltd. This benchmark group is considered to be relevant based on the nature of their businesses and assets under management ("AUM"). In addition, the report compared the Company's NEO compensation to the data contained within the Towers Watson 2010 Investment Compensation Survey. The G&C Committee received and considered the 2010 Executive Compensation Analysis Report during salary reviews for 2011. It is anticipated that a general survey and/or a customized industry survey will be requested periodically and will be considered in NEO salary decisions on an ongoing basis to ensure market competitiveness.

Executive Compensation Related Fees

For the year ended December 31, 2010, Matrix paid Towers Watson a total of \$21,882 (including tax) for the 2010 reports referred to above, a 2010 report on Matrix's director compensation plan (See "Director Compensation" below) and related consulting services. For the year ended December 31, 2011, Matrix paid Towers Watson a total of \$2,800 (including tax) for the Towers Watson 2011 Investment Compensation Survey and was billed \$30,950 (including tax) for the preparation of actuarial reports and related services in connection with Mr. Levi's pension plan (See "Pension Plan Benefits - David Levi" below).

Risk Oversight

Each year, the G&C Committee reviews and approves the Company's compensation policies and practices, taking into consideration compensation-related risks, as well as each compensation component more fully described below. During the review performed for the current financial year, the G&C Committee has not identified any risks associated with the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. The risks and uncertainties that are likely to have a material adverse effect on the Company are disclosed quarterly in the Company's Management Discussion & Analysis of the Company's financial condition and results of operations. No such risks relate to the Company's compensation policies and practices. The Company has not adopted a policy forbidding insiders from purchasing financial instruments relating to the Company's shares, however the Company is not aware of any insider having entered into this type of transaction.

Elements of the Compensation Program

NEO compensation consists of the following elements: base salary, annual performance-based incentive, long term incentive (Restricted Share Plan), retirement plan contribution, benefits and perquisites. The elements of compensation are described in detail below.

Base Salary

The base salaries for the NEOs are the fixed component of their annual compensation. It is the Company's objective that the base salaries fall at or above the median of the Company's industry peers with median AUM that is comparable to the Company. Matrix relied on the 2010 Executive Compensation Analysis Report and the Towers Watson 2010 Investment Compensation Survey to review NEO salaries in 2011. Base salary is reviewed each year and may be increased as required based on any increase in the NEO's role within Matrix or general changes in market salary levels.

Annual Performance-Based Incentive

The annual performance-based incentive is the variable component of the NEOs' compensation. It is designed to (i) ensure that total compensation paid to the NEOs for the year is appropriate in light of the Company's performance and the NEO's individual contributions to the Company, (ii) align the NEO's interests with those of Shareholders, clients and the Company, (iii) pay for performance, and (iv) attract, retain and motivate the NEOs.

Each NEO is eligible to earn an annual performance-based incentive generally equal to 25% of his annual salary. The portion of the annual performance-based incentive that the NEO qualifies for is determined by reference to the NEO's achievement of individual goals as agreed to at the beginning of the performance year. Please see "Determining Individual Compensation" below.

The annual performance-based incentive is paid in cash by April 30th for the prior year's performance.

Long Term Incentive - Restricted Share Plan

The Company has adopted a Restricted Share Plan aimed at aligning the interests of its executive officers and employees with the long term interests of the Company and its Shareholders. Participants are granted Restricted Shares by the Board of Directors (either from treasury or in the form of previously issued Common Shares acquired under the Restricted Share Plan for that purpose) with vesting and trading restrictions attached to them. The Restricted Shares are granted in full on the date of grant but vest in five equal increments over five years. If Restricted Shares do not vest, they are forfeited back to the Company. To vest annually, the Participant must continue to be employed within the Matrix group and have sufficiently met their performance goals for the year. Once vested, Participants may exercise voting rights attached to their Restricted Shares. No Restricted Shares can be sold during the first three years. After three years, up to 40% can be sold and after five years, the remainder can be sold. Subject to the restrictions noted above, a Participant will have ownership of Restricted Shares granted and enjoy the same rights and benefits as other Shareholders, including the right to receive any dividends or special distributions, from the date of grant. For a more detailed description, see "Securities Authorized for Issuance under Equity Compensation Plans – The Matrix Restricted Share Plan".

Restricted Share grants are made according to eight "job bands" in the Matrix group of companies for consistency and fairness. A "top-up" approach is taken in awarding grants so that current shareholdings of the Company are considered. Each employee with a job within a specific band therefore has the same number of Common Shares as their shareholding target, unless their existing shareholdings already exceeded the job "band" level. The "job band" level for the NEOs was set at 250,000 Common Shares. As Messrs. Levi and Irwin each hold in excess of 250,000 Common Shares, they have not been awarded Restricted Shares pursuant to the Matrix Restricted Share Plan.

Generally, awards under the Matrix Restricted Share Plan are one time grants, not annual grants. Additional grants are not made to employees, except where an employee is promoted and moves into a higher "job band" and is granted additional shares to attain that band's higher shareholding target level.

Retirement Contributions

Mr. Levi participates in a defined benefit plan sponsored by Matrix. Matrix paid a total of \$34,260.82 to Mr. Levi's pension during 2011. This pension plan is maintained by an external company and the pension contributions are determined annually based on a Towers Watson actuarial report. Mr. Barrie participates in a defined contribution plan sponsored by SEAMARK. SEAMARK pays to each employee's defined contribution plan an amount equal to 3% of base salary plus 50% of the employee's optional excess contribution, to a maximum contribution by SEAMARK of 5.5% of base salary. Please see section below entitled "Pension Plan Benefits" for further details.

For the other NEOs, a retirement savings contribution equal to 5% of the earned base salary is made annually directly into their respective retirement savings accounts. This contribution is made each January based on the prior year's earnings.

Benefits

The NEOs participate in the same corporate benefits programs as other Matrix employees, including group health benefits (medical, dental, life, short and long term disability). The short and long term disability coverage for all executives of the Company is enhanced with higher maximum benefit levels.

Perquisites

Matrix provides a limited number of perquisites to its NEOs which vary by title but do not account for a material portion of the overall compensation of the NEOs. The G&C Committee awards these perquisites as tools for attraction, retention and motivation.

Determining Individual Compensation

The G&C Committee works with the CEO to obtain the necessary information to support its compensation recommendations to the Board of Directors. The G&C Committee engages in active discussions with the CEO concerning the determination of performance objectives, including individual goals for the NEOs. The G&C Committee directs the CEO to gather information on its behalf and provide initial analysis and commentary, including business goals, corporate performance, individual goals, individual performance and investment performance. These discussions focus on whether, and to what extent, criteria for the previous year have been achieved for those individuals. The CEO also provides a self-assessment of his performance objectives and results for the previous year to the G&C Committee.

For the CEO, the G&C Committee annually reviews and assesses the CEO's goals and objectives for the upcoming financial year and makes recommendations to the Board as required. The G&C Committee will conduct an annual evaluation of the CEO's performance in light of the approved goals and objectives, and report the results of the evaluation to the Board. Based on

the results of the annual evaluation, the G&C Committee will recommend the compensation of the CEO, including any incentive award, bonus or other remuneration, to the Board for approval.

President and Chief Executive Officer

Mr. Levi's performance objectives for 2011 were as follows:

- Increase institutional assets by \$450M including the completion of at least one investment counsel/portfolio manager merger
- Raise \$25M of new retail venture funds
- Raise \$165M in retail assets
- Execute Letter of Intent for an acquisition of a minimum of \$200M in assets
- Attain EBITDA* of \$6.9M for the year
- Attain total free cash flow for dividends of \$6.3M for the year
- Attain an AUM of \$3.0 billion at year end

*EBITDA is earnings before interest, taxes, depreciation and amortization.

The Named Executive Officers (excluding the President & Chief Executive Officer)

With respect to the other executive officers and members of senior management, the G&C Committee will annually review a report from the CEO regarding any material compensation adjustments of each NEO and the other members of senior management, including any incentive award, bonus or other remuneration, except equity-based compensation which must be approved by the Board.

Mr. Levi, as CEO, assesses the other NEOs' individual performance. The performance goals for the NEOs were established by Mr. Levi at the beginning of 2011 as part of the corporate strategic planning process. The CEO establishes the annual corporate goals (together with the senior management team). The goals of the senior management team cascade from the corporate goals to ensure alignment of objectives. The 2011 performance objectives for each current NEO are set out below.

Clint Matthews, Chief Financial Officer

- Provide leadership and direction to the Corporate Accounting and Fund Accounting teams nationally
- Monitor and report fund liquidity on an accurate and timely basis
- Effectively manage corporate cash flow
- Ensure full compliance with financial regulatory requirements and reporting
- Ensure corporate and fund financial compliance with International Financial Reporting Standards
- Develop and meet budget targets for revenue and operational expenses

David Balsdon, Chief Operating Officer

- Support the President & CEO and lead and serve as an effective member of the Senior Management Team
- Provide leadership and direction to Operations and Compliance departments and personnel nationally (including Information Systems, Client Services, Marketing, Human Resources, Investor Relations and Finance)
- Develop and meet budget targets for revenue and operational expenses
- Develop and oversee effective scalable back office operations to support retail fund offerings (RVC, mutual funds, resource limited partnerships and closed end funds) and institutional and high net worth divisions
- Identify and implement integration strategies for back-office systems and processes, registration and compliance
- Provide leadership and direction as part of the Senior Management Team in identifying merger and acquisition opportunities as well as new fund product development and delivery

Tim Lee, Chief Investment Officer – Venture Capital

- Provide leadership to the venture capital investments team nationally
- Meet all annual targets as set for each regional venture capital fund regarding dollars invested, dollars in exits and return on investment

Deborah Gray, Senior Vice-President, National Sales and Marketing

- Meet sales targets for all funds
- Provide leadership and direction to the sales and marketing teams nationally
- Increase awareness of the Matrix brand through messaging, media relations, promotions and publicity
- Build the sales and marketing team to support sales strategy
- Meet budget targets for revenues and operational expenses



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

for the

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held May 11, 2011



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the "**Meeting**") of shareholders of **Matrix Asset Management Inc.** (the "**Company**") will be held at the Four Seasons Hotel, Vancouver, British Columbia on Wednesday, May 11, 2011 at 3:00 p.m. (Vancouver time) for the following purposes:

1. to receive the consolidated financial statements of the Company for the financial year ended December 31, 2010, together with the auditors' report thereon;
2. to elect directors of the Company for the ensuing year;
3. to reappoint Deloitte & Touche LLP, Chartered Accountants, as auditors of the Company and authorize the directors to fix the auditors' remuneration;
4. to consider, and if thought appropriate, to approve a special resolution in the form set forth in Appendix A of the accompanying management information circular (the "**Circular**") to amend the articles of the Company to change the name of the Company from "Matrix Asset Management Inc." to "Matrix Asset Management Inc. / Matrix Gestion d'actifs inc." so as to include the French name of the Company, as more particularly described in the Circular;
5. to consider, and if thought appropriate, to approve a special resolution in the form set forth in Appendix A of this Circular to amend the articles of the Company to consolidate the Company's Common Shares on a five (5) old shares for one (1) new share basis, as more particularly described in the Circular;
6. to consider, and if thought appropriate, to approve an ordinary resolution in the form set forth in Appendix A of this Circular to approve the restricted share plan adopted by the Board of Directors of the Company, as more particularly described in the Circular;
7. to consider amendments or variations to any matter identified in this Notice of Meeting; and
8. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

Details of these matters are set forth in the Circular which accompanies this Notice of Meeting. This Notice of Meeting is also accompanied by a form of Proxy for the Meeting and a reply card for use by shareholders who wish to request copies of the Company's interim and annual financial statements and management's discussion and analysis thereof.

Only shareholders of record as of the close of business on Friday, March 18, 2011 are entitled to receive notice of the Meeting and to vote at the Meeting. To assure your representation at the Meeting as a **Registered Shareholder** or a **Non-Registered Shareholder who is a Non-Objecting Beneficial Owner ("NOBO")**, please complete, sign, date and return the enclosed Proxy, whether or not you plan to personally attend. Sending your Proxy will not prevent you from voting in person at the Meeting. All Proxies completed by Registered Shareholders must be received by Matrix's transfer agent, **CIBC Mellon Trust Company**, (i) by mail in the enclosed envelope or otherwise to PO Box 721, Agincourt, Ontario, M1S 0A1 Attention: Proxy Department, or (ii) by fax to 1-866-781-3111, in each case no later than May 9th, 2011 at 5:00 p.m. (Atlantic time). **Non-Registered Shareholders** whose Common Shares are registered in the name of an intermediary and who are **Objecting Beneficial Owners ("OBOs")** should carefully follow voting instructions provided by the intermediary. A more detailed description on returning Proxies by Non-Registered Shareholders can be found beginning on page 2 of the Circular.

If you receive more than one Proxy for the Meeting, it is because your shares are registered in more than one name. To ensure that all of your shares are voted, you should sign and return all proxies that you receive.

DATED at Vancouver, British Columbia, this 8th day of April, 2011.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "L. Bell", written over a horizontal line.

Lawrence I. Bell
Chairman of the Board

Whether or not you expect to attend the Meeting in person, please complete, sign, date and return the Proxy at your earliest convenience. The accompanying Circular provides further information respecting Proxies and the matters to be considered at the Meeting and is deemed to form part of this Notice of Special Meeting.

Matrix Asset Management Inc.
310 – 1801 Hollis Street
Halifax, Nova Scotia B3J 3N4
Attention: Corporate Secretary

Quorum

Two persons present at the Meeting and able to vote shall constitute a quorum at the Meeting for the purposes of appointing a chairman and adjourning the Meeting. For all other purposes, the quorum shall consist of two persons present in person and authorized to vote not less than 25% of the total number of votes attaching to all Common Shares carrying the right to vote at the Meeting.

BUSINESS OF THE MEETING

Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2010 and the auditors' report thereon have been sent to Registered Shareholders of the Company and filed on SEDAR at www.sedar.com and will be presented to Shareholders at the Meeting. Matrix commenced operations and became a TSX-listed company on completion of the business combination of Growth Works Ltd. ("GrowthWorks") and SEAMARK Asset Management Ltd. ("SEAMARK") as at January 15, 2010 (the "Business Combination"). Accordingly, the financial results of Matrix for the year ended December 31, 2010 reflect the consolidated operations of GrowthWorks for the full year 2010 and Matrix and SEAMARK from January 15, 2010 through December 31, 2010. The Business Combination constituted a reverse takeover and in accordance with Canadian generally accepted accounting principles ("GAAP") and securities law requirements, 2009 comparative results presented in the 2010 consolidated financial statements are those of GrowthWorks and not Matrix.

Election of Directors

The Company's articles provide that the Board of Directors of Matrix (the "Board") will consist of a minimum of one and a maximum of ten directors. All seven directors currently serving on the Board are standing for re-election. Matrix's Board of Directors is of the opinion that seven directors is an appropriate size for the Board at this time. At present, the Board has fixed the number of directors at seven, subject to the right of the Board to appoint additional directors between shareholder meetings should this be considered appropriate in the circumstances. Management proposes the seven persons named below for election as directors of Matrix, each of whom will hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed. **If Shareholders do not specify how they want their Common Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the election of the nominees listed below as directors of Matrix, to hold office until the close of the next annual meeting of shareholders or until their successors are duly elected or appointed.** If any of the listed nominees shall become unavailable to serve prior to the Meeting, the Proxyholder will have the right to use their discretion in voting for a properly qualified substitute.

The election of the directors must be approved by a simple majority of the votes cast at the Meeting, whether by Proxy or in person.

Each of the proposed nominees is now a director of Matrix, has served as a director since the date he first became a director and, except as noted below, has held the principal occupation listed below for the last five years.

The tables below set out the names of the proposed nominees, their residence, their principal occupation, including positions or offices with Matrix and its affiliates, the date they became a director, their current membership on committees of the Board of Directors, and the number of securities of Matrix they beneficially own or exercise voting control or direction over, including Restricted Shares (as defined under "Approval of Restricted Share Plan"), DSUs (as defined in the notes below) and Options (as defined in the notes below).

BRENT W. BARRIE HALIFAX, NOVA SCOTIA	<p>Mr. Barrie has served as a director of Matrix since November 23, 2009 and is the CEO of SEAMARK as well as a director of SEAMARK. Mr. Barrie was appointed CEO of SEAMARK on March 23, 2009. Mr. Barrie joined SEAMARK in 2001. He has been an executive officer of SEAMARK for the last eight years and, prior to his appointment to the position of chief executive officer, was the chief operating officer beginning in February 2008. His roles at SEAMARK have also included serving as a member of the equity research team and overseeing the company's compliance and investor relations functions. He is a graduate of Dalhousie Law School. He earned the Chartered Financial Analyst designation in 2002, the Certified Financial Planner designation in 1999, and the Canadian Investment Manager designation in 1997.</p>	
Securities Shares Owned, Controlled or Directed		
50,249 Common Shares (unrestricted)	250,000 Restricted Shares 9,895 DSUs ¹ 38,000 Options ¹	
Board/Committee Membership		Meeting Attendance during 2010
Board		7/7

LAWRENCE I. BELL VERNON, BRITISH COLUMBIA	<p>Mr. Bell has served as a director since January 15, 2010 and is the Chairman of the Board of Matrix. Prior to the Business Combination he was a director of GrowthWorks. Mr. Bell was the Chairman of Canada Line (Rapid Transit Project) and served as the Non-executive Chairman of British Columbia Hydro and Power Authority until December 2007. From August 2001 to November 2003, Mr. Bell was Chairman and CEO of British Columbia Hydro and Power Authority. He is also a director of Goldcorp Inc., Capstone Mining Corp., International Forest Products Limited and Silver Wheaton Corp. and is former chairman of the Board of Governors of the University of British Columbia. Prior to these positions, Mr. Bell was Chairman and President of the Westar Group and CEO of Vancouver City Savings Credit Union. In British Columbia's public sector, Mr. Bell has served as Deputy Minister of Finance and Secretary to the Treasury Board. He holds a Bachelor of Arts degree and an Honorary Ph.D from the University of British Columbia. He also holds a Master's of Arts degree from San Jose State University. Mr. Bell is a fellow of the Institute of Corporate Directors.</p>	
Securities Owned, Controlled or Directed		
121,619 Common Shares (unrestricted) ²	149,970 Restricted Shares 68,459 DSUs ³	
Board/Committee Membership		Meeting Attendance during 2010
Board (Chair)		7/7
Governance and Compensation Committee (Chair)		5/5

DAVID LEVI VANCOUVER, BRITISH COLUMBIA	<p>Mr. Levi has served as a director of both Matrix and SEAMARK since January 15, 2010 and is the President & CEO of Matrix. Mr. Levi is also the President & CEO and a director of GrowthWorks and its affiliates, including Growth Works Capital Ltd. Mr. Levi is also President & CEO and a director of Working Opportunity Fund (EVCC) Ltd., GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd. Mr. Levi is also a director of GrowthWorks Atlantic Venture Fund Ltd. In late 1998, Mr. Levi founded GrowthWorks and in early 1999 Growth Works Capital Ltd. assumed management of Working Opportunity Fund (EVCC) Ltd. In 2002, Mr. Levi led GrowthWorks' acquisition of the company that previously managed GrowthWorks Canadian Fund Ltd. Mr. Levi is also a director and President & CEO of Working Enterprises Ltd., a Vancouver-based holding company that provides financial, travel, and other services to unions, credit union members, and the general public. Prior to launching Working Opportunity Fund (EVCC) Ltd., Mr. Levi was chair of VanCity Credit Union and remained as a director until 1996. He is also a past director of the Canadian Venture Capital Association. Mr. Levi has provided strategic direction to many portfolio companies and currently serves on the board of Avcorp Industries. He also chairs Verite, an independent, non-profit social auditing and research organization and is involved in a number of community organizations.</p>
Securities Owned, Controlled or Directed	
5,503,439 Common Shares (unrestricted) ^{2,4&5}	nil Restricted Shares
Board/Committee Membership	Meeting Attendance during 2010
Board	7/7

G. PETER MARSHALL INGRAMPORT, NOVA SCOTIA	<p>Mr. Marshall has served as a director since January 15, 2010 and is the founder of SEAMARK. Mr. Marshall founded SEAMARK in 1982 and is a former Chairman and CEO of SEAMARK. He served as a director of SEAMARK between November, 1982 and October, 2006. Mr. Marshall has 40 years' experience in the investment industry with a strong background in corporate finance, municipal bond underwriting, equity research and portfolio management. Prior to founding SEAMARK, Mr. Marshall worked for investment organizations in Montreal and Toronto. Mr. Marshall is a Commerce graduate from Dalhousie University in Halifax, Nova Scotia.</p>
Securities Owned, Controlled or Directed	
1,370,000 Common Shares (unrestricted)	100,000 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2010
Board Audit Committee	7/7 6/6

DALE G. PARKER VANCOUVER, BRITISH COLUMBIA	Mr. Parker has served as a director since January 15, 2010. Mr. Parker was a director of GrowthWorks prior to the Business Combination. Prior to January 1998, Mr. Parker was President and CEO of Workers' Compensation Board of British Columbia; prior to November 1994, he was President of White Spot Limited and Executive Vice-president of Shato Holdings Ltd. and prior to November 1992, Chairman and CEO of British Columbia Financial Institutions Commission. Mr. Parker is a former President and CEO of the Bank of British Columbia and executive vice-president, Bank of Montreal. He is a director of the UBC Investment Management Trust and Encorp Pacific (Canada). Past directorships include TransLink (Board Chair), Talisman Energy Inc., Industrial-Alliance Pacific Life Insurance Co and CPP Investment Board. Mr. Parker is active with a number of charitable and non-profit organizations, including; Chair, Pacific Parkinsons Research Institute, Vice-chair, Transit Police Services and member of the British Columbia Cancer Research Centre Building Committee. Mr. Parker is a graduate of the Advanced Management Program of the Graduate School of Business Administration, Harvard University and is a former member of the UBC Faculty of Commerce & Business, Advisory Board.
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Securities Owned, Controlled or Directed	
63,386 Common Shares (unrestricted) ²	60,787 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2010
Board	7/7
Audit Committee (Chair)	6/6

D. STEPHEN RANKIN HALIFAX, NOVA SCOTIA	Mr. Rankin has served as a director since January 15, 2010 and is a former director of SEAMARK. Mr. Rankin served as the Non-executive Chairman of SEAMARK from October 2006 until January 2010. He retired as Chairman and CEO of the Cape Breton Development Corporation in 1984. He has also served as Chair of Seagull Pewter & Silversmiths Ltd. and Vice-president of Stora Forest Industries of Nova Scotia and Sweden. He has served as a member of the Nova Scotia Development Board, the Economic Council of Canada, and the Board of Governors of St. Francis Xavier University and the Technical University of Nova Scotia.
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Securities Owned, Controlled or Directed	
11,000 Common Shares (unrestricted)	100,000 Restricted Shares 4,000 Options ⁶
Board/Committee Membership	Meeting Attendance during 2010
Board	7/7
Audit Committee (Appointed Nov. 10, 2010)	1/1
Governance & Compensation Committee	5/5

JOHN T. SHIELDS VICTORIA, BRITISH COLUMBIA	Mr. Shields has served as a director since January 15, 2010. Mr. Shields was a director of GrowthWorks prior to the Business Combination. Mr. Shields is President and senior principal of John T. Shields Consulting Ltd. and is a director of the Columbia Institute. Mr. Shields has been an instructor in labour relations and negotiations at Vancouver Island University since June 2010. Mr. Shields holds a Master's Degree in theology from St. Paul's College in Washington, DC. He was President of the British Columbia Government and Service Employees Union (BCGEU) for fourteen years (1985-1999) and has served on the board of the Victoria United Way and held a key cabinet position on the United Way Campaign Team. He was a founding member of Leadership Victoria's Board and served as its Program Director and Chair.
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Securities Owned, Controlled or Directed	
9,685 Common Shares (unrestricted) ²	100,000 Restricted Shares
Board/Committee Membership	Meeting Attendance during 2010
Board	7/7
Governance & Compensation Committee	5/5

- (1) Mr. Barrie's deferred stock units ("DSUs") were awarded under the SEAMARK Deferred Stock Unit Plan (the "SEAMARK DSU Plan") for performance in his role at SEAMARK prior to the Business Combination. These DSUs were exchanged on a one-for-one basis for DSUs under the Matrix Deferred Stock Unit Plan (the "Matrix DSU Plan"). See "Securities Authorized for Issuance under Equity Compensation Plan – The Matrix DSU Plan" for additional information on this plan. Mr. Barrie's stock options ("Options") were awarded under the SEAMARK Stock Option Plan also for performance in his role at SEAMARK prior to the Business Combination. These Options were exchanged on a one-for-one basis for Options under the Matrix Stock Option Plan. See "Securities Authorized for Issuance under Equity Compensation Plan – The Matrix Stock Option Plan" for additional information on this plan.
- (2) The numbers of unrestricted Common Shares held by each of Lawrence Bell, David Levi, Dale Parker and John Shields includes Common Shares subject to escrow arrangements established in connection with the Business Combination. Some of the Common Shares are released from escrow over four years from the closing date of the Business Combination, with 25% released each year. The remainder are released as at the second anniversary of the Business Combination. Holders are entitled to exercise voting rights and receive any dividends declared in respect of the escrowed Common Shares.
- (3) Mr. Bell has elected to receive his compensation from Matrix in the form of DSUs. Mr. Bell received a total of 68,264 DSUs in 2010 and 16,622 to date in 2011. A total of 16,427 of the DSUs have vested. The unvested portion of these awards reflects the outstanding DSUs and is stated in the table above.
- (4) Mr. Levi also holds 501 voting shares of each of GrowthWorks WV Management Ltd. and GrowthWorks Atlantic Ltd. jointly with Working Enterprises Ltd. representing 50.1% of the outstanding voting shares of each of these companies. These shares have no economic participation of any kind. In connection with the Business Combination, voting shares of these companies were issued to David Levi and Working Enterprises Ltd. in order to provide additional comfort to the sponsor of the venture capital investment funds managed by these entities. Working Enterprises Ltd. was a large shareholder of GrowthWorks prior to the Business Combination and is the largest Shareholder of Matrix.
- (5) Mr. Levi holds 712,008 Common Shares directly and controls DLN Funtimes Ltd. which holds 4,050,078 Common Shares. He controls the David Levi Family Trust which holds 608,190 Common Shares and he controls the David Levi Family Trust 2009 which holds 133,163 Common Shares.
- (6) Mr. Rankin's Options were awarded under the SEAMARK Stock Option Plan for his role as a director of SEAMARK prior to the Business Combination. These Options were exchanged on a one-for-one basis for Options under the Matrix Stock Option Plan. See "Securities Authorized for Issuance under Equity Compensation Plan – The Matrix Stock Option Plan" for additional information on this plan.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of Matrix, except as set out below, none of the nominees for election to the Board (a) is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the person was acting in that capacity; or (ii) was subject to an Order that was issued after the person ceased to act in that capacity but which resulted from an event that occurred while that person acted in that capacity, (b) is, or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets. Dale Parker was a director of Century Mining Corporation which from May 2008 to July 2008 was subject to a cease trade order issued by the British Columbia Securities Commission as a result of the corporation's failure to file technical reports and interim financial statements and related management's discussion and analysis.

Penalties and Sanctions

To the knowledge of Matrix, none of the nominees for election to the Board nor any personal holding companies owned or controlled by any of them (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into settlement agreement with a securities regulatory authority, or (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for the nominee.

Appointment of Auditors

It is proposed that Deloitte & Touche LLP, the present auditors of Matrix, be reappointed as auditors of Matrix until the next annual meeting of Shareholders and that the Board be authorized to fix the remuneration to be paid to the auditors. Deloitte & Touche LLP became auditors of Matrix on February 4, 2010. Information regarding audit fees and non-audit services provided by Deloitte & Touche LLP to Matrix is provided in Matrix's Annual Information Form for the year ended December 31, 2010 filed on SEDAR. The engagement of Deloitte & Touche LLP to provide non-audit services requires the prior approval of the Audit Committee.

Management of the Company recommends that Shareholders vote in favour of the resolution appointing Deloitte & Touche LLP as auditors of the Company. If Shareholders do not specify how they want their Common Shares voted, the persons named as Proxyholders will cast the votes represented by Proxy at the Meeting FOR the appointment of Deloitte & Touche LLP as auditors of Matrix at the remuneration to be fixed by the Board.

The appointment of auditors must be approved by a simple majority of the votes cast at the Meeting, whether by Proxy or in person.

TAB 24

FORM 51-102F6
MATRIX / GROWTHWORKS
STATEMENT OF EXECUTIVE COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2013
FILED ON SEDAR ON MAY 21, 2014



**Form 51-102F6 – Statement of Executive Compensation
For the Year Ended December 31, 2013**



**FORM 51-102F6 – STATEMENT OF EXECUTIVE COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2013**

Introduction

For the purposes of this Statement of Executive Compensation, the following capitalized terms have the following meanings:

“Board” or “Board of Directors” means the Board of Directors of Matrix;

“Business Combination” means the business combination of Growth Works Ltd. and SEAMARK as at January 15, 2010;

“Company” or “Matrix” means Matrix Asset Management Inc. / Matrix Gestion d’actifs inc.;

“G&C Committee” means the Governance & Compensation Committee of the Company;

“NEOs” means each of the following officers or former officers of Matrix:

- (a) President & Chief Executive Officer, David Levi
- (b) Chief Financial Officer, Clint Matthews
- (c) Chief Investment Officer, Venture Capital, Timothy Lee
- (d) former Chief Operating Officer, David Balsdon; and
- (e) former Senior Vice-President, National Sales and Marketing, Wan Kim;

and “NEO” means any one of the above; and

“SEAMARK” means SEAMARK Asset Management Ltd.

All references to dollar amounts referred to herein are references to Canadian dollars, unless otherwise indicated.

Compensation Discussion and Analysis

This section provides a discussion of the components and the objectives behind the compensation of the NEOs for the financial year ended December 31, 2013.

2010 was the first operating year for the Company. In fiscal 2010, management of the Company together with the Board of Directors, in particular the G&C Committee, worked together to develop a common compensation framework, including a common long term incentive plan that aligns the interests of the Company with its employees aimed at driving growth and improving results. In fiscal 2013, the G&C Committee continued to work with management of the Company to ensure that compensation levels for employees of Matrix, including the NEOs, are in line with the Company’s compensation philosophy and objectives.

Governance & Compensation Committee

The Board of Directors created the G&C Committee to assist the Board with evaluating Board, executive and employee compensation, incentive plans and compensation policies adopted by the Company.

The G&C Committee is responsible for reviewing and making recommendations to the Board of Directors regarding all matters related to the compensation of Matrix’s directors and executive officers, including the NEOs. The key G&C Committee responsibilities relating to NEO compensation are summarized below:

- The G&C Committee reviews the Company’s compensation philosophy, plans, and policies, including any benefit or incentive plans and programs including equity-based plans.
- The G&C Committee annually reviews and assesses the CEO’s goals and objectives for the upcoming financial year, conducts annual evaluations of the CEO’s performance in light of the approved goals and objectives, and based on the evaluation, recommends the compensation of the CEO to the Company’s Board of Directors, including any incentive awards, bonus or other remuneration.
- The G&C Committee annually reviews, with the CEO, the compensation approach for senior management, and annually reviews a report from the CEO regarding the compensation of each executive officer and the other members of senior management, including any incentive award, bonus or other remuneration, except equity-based compensation which must be approved by the Board.

- The G&C Committee also administers any equity-based compensation or incentive plan for the executive officers, senior management and employees of the Company in conjunction with senior management.

The Company strives to offer a competitive compensation package to its executive officers that will attract and retain high quality employees. Matrix's compensation philosophy is based on providing fair, equitable, consistent and market-competitive compensation throughout the organization. The Company also seeks to align the interests of its executive officers with the long term interests of the Company and its Shareholders through share-based awards.

In 2010, the G&C Committee engaged Towers Watson to prepare a customised compensation analysis report to assist the G&C Committee to ensure the market competitiveness of the NEOs' compensation (the "2010 Executive Compensation Analysis Report"). The report reviewed the Company's NEO compensation against NEOs of six of its industry peers. The following select industry peers were used in the 2010 Executive Compensation Analysis Report: Clairvest Group Inc., Aston Hill Financial Inc., Integrated Asset Management Corp., Sceptre Investment Council Inc., Jovian Capital Group and Guardian Capital Group Ltd. This benchmark group is considered to be relevant based on the nature of their businesses and assets under management ("AUM"). In addition, the report compared the Company's NEO compensation to the data contained within the Towers Watson 2010 Investment Management Compensation Survey. The G&C Committee received and considered the 2010 Executive Compensation Analysis Report during salary reviews for 2011, 2012, and 2013. Matrix also participated in the Towers Watson Investment Management Compensation Survey in 2011 and 2013 in order to have access to industry specific compensation data. This data is considered in NEO salary decisions to ensure market competitiveness.

Executive Compensation Related Fees

For the year ended December 31, 2012, Matrix paid Towers Watson a total of \$37,286 (including tax) for the preparation of actuarial reports and related services in connection with Mr. Levi's pension plan from GrowthWorks Capital Ltd., a subsidiary of Matrix. On December 31, 2013, Mr. Levi's pension plan was terminated and Mr. Levi surrendered any pension benefits to which he otherwise would have been entitled. For the year ended December 31, 2013, Matrix paid Towers Watson a total of \$55,047 (including tax) for the preparation of actuarial reports and related services, as well as the termination of the pension plan. In addition, in 2013, Matrix paid Towers Watson \$2,800 (including tax) for the Towers Watson 2013 Investment Management Compensation Survey. Matrix paid RBC Investor Services \$11,245 for custody and transaction fees incurred in 2013. In 2012, Matrix paid Deloitte \$6,748 for the audit and actuarial review of Mr. Levi's pension plan.

Risk Oversight

Each year, the G&C Committee reviews and approves the Company's compensation policies and practices, taking into consideration compensation-related risks, as well as each compensation component more fully described below. During the review performed for the current financial year, the G&C Committee has not identified any risks associated with the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. The risks and uncertainties that are likely to have a material adverse effect on the Company are disclosed quarterly in the Company's Management Discussion & Analysis of the Company's financial condition and results of operations. No such risks relate to the Company's compensation policies and practices. The Company has not adopted a policy forbidding insiders from purchasing financial instruments relating to the Company's shares, however the Company is not aware of any insider having entered into this type of transaction.

Elements of the Compensation Program

NEO compensation consists of the following elements: base salary, annual performance-based incentive, long term incentive (Matrix Restricted Share Plan), retirement plan contribution, benefits and perquisites. The elements of compensation are described in detail below.

Base Salary

The base salaries for the NEOs are the fixed component of their annual compensation. It is the Company's objective that the base salaries fall at or above the median of the Company's industry peers with median AUM that is comparable to the Company. Matrix continued to rely on the 2010 Executive Compensation Analysis Report as well as the Towers Watson 2011 and 2013 Investment Management Compensation Surveys to review NEO salaries in 2013. Base salary is reviewed each year and may be increased as required based on any increase in the NEO's role within Matrix or general changes in market salary levels.

Annual Performance-Based Incentive

The annual performance-based incentive is the variable component of the NEOs' compensation. It is designed to (i) ensure that total compensation paid to the NEOs for the year is appropriate in light of the Company's performance and the NEO's

individual contributions to the Company, (ii) align the NEO's interests with those of Shareholders, clients and the Company, (iii) pay for performance, and (iv) attract, retain and motivate the NEOs.

Each NEO is eligible to earn an annual performance-based incentive generally equal to 25% of his annual salary. The portion of the annual performance-based incentive that the NEO qualifies for is determined by reference to overall corporate performance and to the NEO's achievement of individual goals as agreed to at the beginning of the performance year. Please see "Determining Individual Compensation" below.

The annual performance-based incentive is normally paid by April 30th in cash for the prior year's performance. However, no annual performance-based incentives were paid for 2012 or 2013. Please see "Summary Compensation Table" below.

Long Term Incentive - Restricted Share Plan

The Company has adopted a Matrix Restricted Share Plan aimed at aligning the interests of its executive officers and employees with the long term interests of the Company and its Shareholders. Participants are granted Restricted Shares by the Board of Directors (either from treasury or in the form of previously issued Common Shares acquired under the Matrix Restricted Share Plan for that purpose) with vesting and trading restrictions attached to them. The Restricted Shares are granted in full on the date of grant but vest in five equal increments over five years. If Restricted Shares do not vest, they are forfeited back to the Company. To vest annually, the Participant must continue to be employed within the Matrix group and have sufficiently met their performance goals for the year. Once vested, Participants may exercise voting rights attached to their Restricted Shares. No Restricted Shares can be sold during the first three years. After three years, up to 40% can be sold and after five years, the remainder can be sold. Subject to the restrictions noted above, a Participant will have ownership of Restricted Shares granted and enjoy the same rights and benefits as other Shareholders, including the right to receive any dividends or special distributions, from the date of grant. For a more detailed description, see "Share-Based and Option-Based Awards – The Matrix Restricted Share Plan".

Restricted Share grants are made according to eight "job bands" in the Matrix group of companies for consistency and fairness. A "top-up" approach is taken in awarding grants so that current shareholdings of the Company are considered. Each employee with a job within a specific band therefore has the same number of Common Shares as their shareholding target, unless their existing shareholdings already exceeded the "job band" level. The "job band" level for the NEOs was set at 250,000 Common Shares. As Mr. Levi holds in excess of 250,000 Common Shares, he has not been awarded Restricted Shares pursuant to the Matrix Restricted Share Plan.

Generally, awards under the Matrix Restricted Share Plan are one time grants, not annual grants. Additional grants are not made to employees, except where an employee is promoted and moves into a higher "job band" and is granted additional shares to attain that band's higher shareholding target level.

Retirement Contributions

For each of the NEOs, other than David Levi, a retirement savings contribution equal to 5% of the earned base salary is made annually directly into their respective retirement savings accounts. This contribution is made before February 28 based on the prior year's earnings.

Benefits

The NEOs participate in the same corporate benefits programs as other Matrix employees, including group health benefits (medical, dental, life, short and long term disability). The short and long term disability coverage for all executives of the Company is enhanced with higher maximum benefit levels.

Perquisites

Matrix provides a limited number of perquisites to its NEOs which vary by title but do not account for a material portion of the overall compensation of the NEOs. The G&C Committee awards these perquisites as tools for attraction, retention and motivation of NEOs.

Determining Individual Compensation

The G&C Committee works with the CEO to obtain the necessary information to support its compensation recommendations to the Board of Directors. The G&C Committee engages in active discussions with the CEO concerning the determination of performance objectives, including individual goals for the NEOs. The G&C Committee directs the CEO to gather information on its behalf and provide initial analysis and commentary, including business goals, corporate performance, individual goals, individual performance and investment performance. Overall corporate performance is first considered to determine a maximum bonus amount available for payment. Following that, the discussions focus on whether, and to what extent, criteria

for the previous year have been achieved for the NEOs. The CEO also provides a self-assessment of his performance objectives and results for the previous year to the G&C Committee.

For the CEO, the G&C Committee annually reviews and assesses the CEO's goals and objectives for the upcoming financial year and makes recommendations to the Board as required. The G&C Committee will conduct an annual evaluation of the CEO's performance in light of the approved goals and objectives, and report the results of the evaluation to the Board. Based on the results of the annual evaluation, the G&C Committee will recommend the compensation of the CEO, including any incentive award, bonus or other remuneration, to the Board for approval.

President and Chief Executive Officer

Mr. Levi's performance objectives for 2013 were as follows:

- Provide leadership to the senior management team
- Identify and complete strategic transactions to improve Matrix's working capital position

The Named Executive Officers (excluding the President & Chief Executive Officer)

With respect to the other executive officers and members of senior management, the G&C Committee will annually review a report from the CEO regarding any material compensation adjustments of each NEO and the other members of senior management, including any incentive award, bonus or other remuneration, except equity-based compensation which must be approved by the Board.

Mr. Levi, as CEO, assesses the other NEOs' individual performance. The performance goals for the NEOs were established by Mr. Levi at the beginning of 2013 as part of the corporate strategic planning process. The CEO establishes the annual corporate goals (together with the senior management team). The goals of the senior management team cascade from the corporate goals to ensure alignment of objectives. The 2013 performance objectives for each current NEO are set out below.

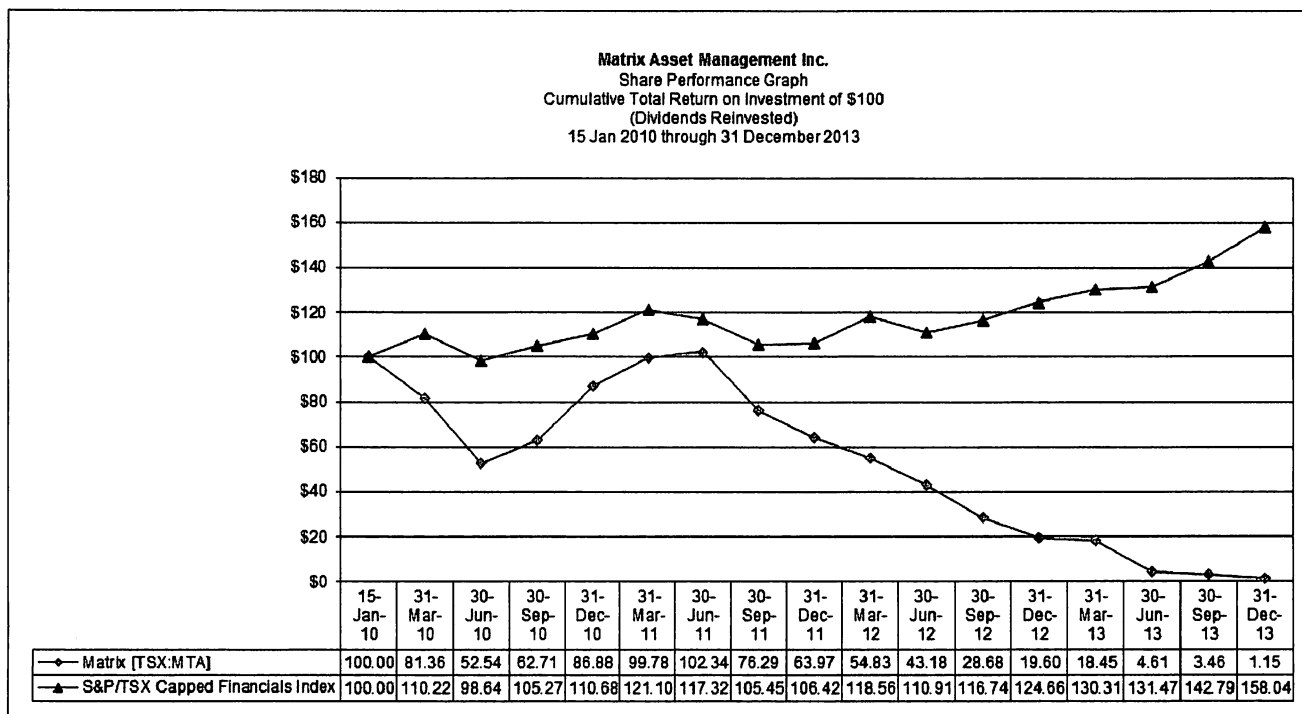
Clint Matthews, Chief Financial Officer

- Provide leadership and direction to the Corporate Accounting and Fund Accounting teams nationally
- Monitor and report fund liquidity on an accurate and timely basis
- Effectively manage corporate cash flow
- Ensure full compliance with financial regulatory requirements and reporting
- Ensure corporate and fund financial compliance with International Financial Reporting Standards
- Develop and meet budget targets for revenue and operational expenses

Tim Lee, Chief Investment Officer – Venture Capital

- Provide leadership to the venture capital investments team nationally
- Meet all annual targets as set for each regional venture capital fund regarding dollars invested, dollars in exits and return on investment

Performance Graph



During the last year, Matrix's cumulative total return was less than the S&P/TSX Capped Financials Index. The Company did not consider Matrix's share price when setting NEO compensation for 2013.

Share-Based and Option-Based Awards

Matrix has three equity compensation plans: (i) the Matrix Restricted Share Plan, (ii) the Matrix Stock Option Plan, and (iii) the Matrix DSU Plan. The Matrix Restricted Share Plan will be the primary equity based compensation plan for employees, officers and directors across the Matrix group of companies going forward and there is no current expectation that further options will be granted under the Matrix Stock Option Plan or further DSUs will be granted under the Matrix DSU Plan.

The Matrix Restricted Share Plan and the Matrix Stock Option Plan are the only Matrix equity compensation plans under which there are securities authorized for issuance. The Matrix DSU Plan provides directors and employees of Matrix and its affiliates with an opportunity to acquire previously issued Common Shares that are purchased by a trustee appointed to administer the plan. No new Common Shares are authorized for issuance under the Matrix DSU Plan. Common Shares are issued under the Matrix Restricted Share Plan at the time of grant rather than at the time of vesting or exercise.

The Matrix Restricted Share Plan

Background and Purpose of the Plan

On September 29, 2010, the Company announced it had adopted a restricted share plan (the "Matrix Restricted Share Plan") to serve as a cost effective long term incentive plan for employees across the Matrix group of companies and on May 11, 2011, the Shareholders of the Company approved the adoption of the Matrix Restricted Share Plan.

The purpose of the Matrix Restricted Share Plan is to:

- (i) attract, retain and motivate talented employees, directors, officers and consultants of the Company and its affiliates (together "Participants") in a competitive marketplace;
- (ii) encourage an equity-oriented culture that promotes sustainable growth and profitability and greater value in the Company's shares;
- (iii) provide a common long term incentive for Participants across the Matrix group of companies; and
- (iv) align the interests of Participants with those of the Shareholders of the Company.

Summary of the Plan

The Matrix Restricted Share Plan empowers the Board, directly or through a committee of the Board, (in either case, the "Board") to make grants of Restricted Shares to Participants for services rendered. Restricted Shares only become free of the restrictions imposed once the restriction terms and conditions are satisfied. Restricted Shares for which restriction terms and conditions are not satisfied are forfeited. Restricted Shares are held in trust or custodial arrangements while the applicable restrictions remain unsatisfied.

The Board has approved vesting, voting and transferability restrictions that span over a five (5) year period. Annual equal vesting over five (5) years is conditional on Participants achieving annual performance goals*. All unvested Restricted Shares are subject to restrictions on voting. However, in extraordinary circumstances the Board may allow voting in respect of particular matters at a particular meeting. 100% of the Restricted Shares are subject to restrictions on transfer during the first three (3) years after the grant date and 60% of the Restricted Shares are subject to restrictions on transfer until the full five (5) year period has passed. The restrictions are summarized in the following table.

Restrictions Summary Table

Year End	Shares Vested for Voting*	Shares that Can't be Voted	Shares Prohibited from being Sold/Transferred	Shares Free of Restrictions & Released
1	20%	80%	100%	0%
2	40%	60%	100%	0%
3	60%	40%	60%	40%
4	80%	20%	60%	40%
5	100%	0%	0%	100%

* Subject to the Participant meeting his or her performance goals for the year. If Restricted Shares do not vest due to the Participant not meeting his or her performance goals, those unvested Restricted Shares will remain eligible for vesting for the following two years and the transfer and other restrictions applicable thereto will be correspondingly extended. The above table assumes a Participant meets his or her performance goals each year.

Portions of a Participant's Restricted Shares are released from applicable trust or custodial arrangements to the Participant as the restrictions are fulfilled. Subject to the restrictions noted above, a Participant will have ownership of Restricted Shares granted and enjoy the same rights and benefits as other Shareholders, including the right to receive any dividends or special distributions. Restricted Shares granted that do not fulfill the restriction terms and conditions are forfeited and the Participant thereafter has no ownership interest in the forfeited Restricted Shares.

In the event of the retirement or termination (with or without cause) of a Participant during the vesting period, those Restricted Shares held by the Participant that are unvested will generally be forfeited to the Company. In certain circumstances, the Board may stipulate that a restriction shall expire early or be modified as a result of the Participant's retirement or termination.

In the event of the death or total disability of a Participant, the Company will deliver instructions to the trustee or custodian holding the Participant's Restricted Shares to immediately distribute any Restricted Shares held by the Participant in accordance with the restrictions established at grant, and such reduced restrictions as the Board may specify to apply in such circumstances, which may include accelerated vesting. Except pursuant to a will or as contemplated by the plan, no Restricted Shares and no other right or interest of a Participant in respect of Restricted Shares is assignable or transferable.

The Plan can create Restricted Shares from Common Shares issued from treasury and from already issued Common Shares purchased for that purpose. The maximum number of Common Shares issuable from treasury under the Matrix Restricted Share Plan is 10% of Matrix's issued and outstanding Common Shares. The maximum number of Restricted Shares issuable from treasury to insiders, at any time, under the plan and any other equity-based compensation plan of Matrix is 10% of the total number of Common Shares then outstanding. The maximum number of Restricted Shares issued from treasury to insiders within any one year period, under the plan and any other equity-based compensation plan of Matrix, is 10% of the total number of Common Shares then outstanding.

In the event of a change of control of the Company, the Board has been empowered to determine that some or all of the remaining restrictions applicable to Restricted Shares shall expire. This will be entirely within the discretion of the Board having regard to the circumstances of the change of control. In any event, upon a change of control, Participants will not be treated any more favourably than Shareholders with respect to the consideration that the Participants would be entitled to receive for their shares.

As noted above, grants under the Matrix Restricted Share Plan vest over a period of five years. No additional grants to a Participant during his or her five-year vesting period are expected, except in cases of promotions that support an increased level of participation.

The Board may, subject to receipt of required shareholder and regulatory approvals, make amendments to or discontinue the Matrix Restricted Share Plan at any time, provided that, without the consent of a Participant, such amendments or discontinuance may not in any material manner adversely affect the Participant's rights under any Restricted Shares previously granted under the plan. Shareholder approval will be required for any amendments to the Matrix Restricted Share Plan: (i) that increase the maximum number of Restricted Shares issuable under the plan (other than due to a stock dividend, consolidation, subdivision or reclassification of the Common Shares); (ii) that increase the number of Restricted Shares issuable to insiders of Matrix; and (iii) in respect of which shareholder approval is otherwise specifically required under published rules of a stock exchange or regulatory authority having jurisdiction over Matrix. Amendments that may be made by the Board without obtaining shareholder approval include, without limitation, amendments that change: (i) the classes of persons eligible to participate under the Matrix Restricted Share Plan, unless the change could potentially increase the participation of insiders of Matrix, (ii) the manner in which Restricted Shares are dealt with if a Participant retires, is terminated, dies or becomes disabled; (iii) provisions that apply in the event of a change of control of Matrix or a take-over bid for Matrix, and (iv) Matrix's rights with respect to withholding tax and set-off. Administrative amendments may also be made to the Matrix Restricted Share Plan without shareholder approval. Effective May 20, 2011, the Board approved certain administrative amendments to the Matrix Restricted Share Plan. These amendments: (i) expand the definition of Non-treasury Shares to allow for the granting of any form of previously issued Matrix shares; (ii) provide for the deposit of Non-treasury Shares with the Matrix Restricted Share Plan Custodian on instructions of Participants; and (iii) clarify the timing of deposits of Non-treasury Shares with the Matrix Restricted Share Plan Custodian.

The Matrix Stock Option Plan

Introduction

The Matrix Stock Option Plan was adopted in connection with the Business Combination and the terms and conditions of the Matrix Stock Option Plan are substantially the same as those of the SEAMARK Stock Option Plan administered by SEAMARK prior to the Business Combination. The Matrix Restricted Share Plan is the primary equity based compensation plan for employees, officers and directors across the Matrix group of companies going forward. Accordingly, there is no current expectation that further options will be granted under the Matrix Stock Option Plan.

"Rolling" Maximum Reserve

The Matrix Stock Option Plan provides that the number of Common Shares reserved for issuance upon the exercise of options granted under the Matrix Stock Option Plan is a rolling maximum number that shall not be greater than ten percent (10%) of the outstanding Common Shares at any point in time (on a non-diluted basis). Any exercise, expiry or lapse of options will make new grants available under the Matrix Stock Option Plan effectively resulting in a "re-loading" of the number of options available to be granted.

Other Terms

The G&C Committee is responsible for administering the Matrix Stock Option Plan. The Matrix Stock Option Plan authorizes the G&C Committee to grant options to acquire Common Shares in favour of "Participants". Participants may be directors, officers, employees and consultants of Matrix and its affiliates who are in a position, in the opinion of the G&C Committee, to make contributions to the growth and success of Matrix.

The aggregate number of Common Shares issued to insiders of Matrix within any one (1) year period under the Matrix Stock Option Plan cannot exceed ten percent (10%) of the issued and outstanding Common Shares. In addition, the aggregate number of Common Shares issuable to insiders of Matrix at any time cannot exceed ten percent (10%) of the issued and outstanding Common Shares.

The date of grant, the number of Common Shares, the vesting period and any other terms and conditions of options granted pursuant to the Matrix Stock Option Plan are determined by the G&C Committee, subject to the express provisions of the Matrix Stock Option Plan. The G&C Committee also has the authority to vary the terms of any individual grant should that be considered advisable, subject to obtaining any required regulatory or shareholder approvals.

Unless otherwise specified by the G&C Committee at the time an option is granted under the Matrix Stock Option Plan:

- (a) the exercise price of the option will be the arithmetical average of the high and low board lot trading prices of the Common Shares on the TSX over the five (5) trading days immediately preceding the date of the grant (On March 28, 2014, Matrix voluntarily delisted from the TSX, however there are currently no options outstanding and none are expected to be issued);
- (b) the term of the option will be ten (10) years from the date of the grant (which is the maximum allowable term under the Matrix Stock Option Plan), unless the expiry of the term falls during a black-out (or within ten (10) days from the end of a blackout) from trading in the securities of Matrix imposed on certain persons including the optionee pursuant

to any policies of Matrix, and where such black-out applies, the expiry of the term of the option shall automatically be extended to ten (10) business days following the end of the black-out period; and

- (c) 20% of the total number of options granted become exercisable at each anniversary of the grant date such that the total grant is exercisable after five (5) years.

Options will terminate immediately upon the holder ceasing to be a Participant, provided however, in the event of the holder ceasing to be a Participant due to:

- (a) death, unvested options vest immediately and the options continue to be exercisable for a period up to twelve (12) months from the date of death or until the expiration of the option period, whichever is earlier;
- (b) termination by reason of disability, unvested options vest immediately and the options continue to be exercisable until the third anniversary of the date of termination due to disability or until the expiration of the option period, whichever is earlier;
- (c) normal retirement, unvested options vest immediately and the options continue to be exercisable until the third anniversary of the date of the voluntary termination of active employment or until the expiration of the option period, whichever is earlier; or
- (d) any other reason, unvested options terminate and vested options continue to be exercisable for a period of ninety (90) days after the date of such termination or until the expiration of the option period, whichever is earlier.

Upon a determination by the Matrix Board to effect or proceed with certain events or transactions described below, all options granted prior to the effective date of such event or transaction shall be immediately vested such that even if such options have been outstanding for less than one (1) year or if other provisions contained in the respective option agreements require the options or any portion thereof to be outstanding for a minimum amount of time prior to exercise, the options shall become immediately exercisable. These events or transactions are as follows:

- (a) a sale or transfer of all or substantially all of the assets of Matrix to another corporation (other than a wholly-owned subsidiary), person or entity, or upon a distribution by Matrix of its assets as a liquidating dividend with respect to the Common Shares, or the happening of any other similar event affecting the Common Shares; or
- (b) Matrix is amalgamated, merged or combined with, or acquires another company, and as a result of such transaction the holders of the Common Shares prior to such transaction would receive or hold less than a majority of the Common Shares or securities entitled to vote of the resulting or surviving company or organization,

provided, however, that events or transactions occurring or undertaken as part of an internal reorganization involving the assets and/or ownership of Matrix or one or more affiliates of Matrix, as determined by the Matrix Board, shall not accelerate or otherwise affect the vesting or exercisability of options.

Options granted under the Matrix Stock Option Plan may not be transferred, encumbered or otherwise disposed of, other than by will or by the laws of descent and distribution and all options shall be exercisable during the lifetime of the person exercising the options and by that person only. The plan does not contain any provisions relating to financial assistance by the Company to Participants under the Plan in connection with exercises of options by Participants.

The Board may amend certain terms of the Matrix Stock Option Plan without requiring the approval of Shareholders. However, no amendment, alteration, or discontinuation can be made which would impair the rights of optionees without their consent, except if required to cause the Matrix Stock Option Plan to comply with applicable laws. The Matrix Stock Option Plan also sets forth the specific matters requiring the approval of Shareholders, including, among others, increasing the maximum number of Common Shares issuable under the Matrix Stock Option Plan, reducing the option price, extending the option period, amending insider participation limits, amending the amendment provisions or amending the list of persons eligible to participate in the Matrix Stock Option Plan which would result in the increased participation by insiders. The Matrix Stock Option Plan also provides that approval of Shareholders is also required for any other changes which require shareholder approval by law.

Existing Stock Options and Shares Reserved

There are nil Common Shares issuable under outstanding options under the Matrix Stock Option Plan, representing 0.0% of the issued and outstanding Common Shares. The Matrix Stock Option Plan provides that the number of Common Shares reserved for issuance at any time will be a number equal to ten percent (10%) of the issued and outstanding Common Shares at that time (on a non-diluted basis). There are 5,255,676 Common Shares reserved for issuance under the Matrix Stock Option Plan.

The Matrix DSU Plan

The terms of the Matrix DSU Plan are substantially the same as the terms of the SEAMARK DSU Plan administered by SEAMARK prior to completion of the Business Combination. The Matrix DSU Plan provides for the granting of DSUs to directors and key employees as approved by the G&C Committee. Historically, DSUs were granted by the G&C Committee in accordance with the annual incentive program implemented by SEAMARK. The Matrix DSU Plan is not currently utilized as a component of Matrix's employee compensation.

Each DSU entitles the participant to one Common Share on vesting. These Common Shares are distributed from a trust established and funded by Matrix to purchase previously issued and outstanding Common Shares and hold them until the DSUs vest. No new shares are authorized for issuance under the Matrix DSU Plan. Subject to the terms of the Matrix DSU Plan, the G&C Committee has the authority to determine the terms and conditions of any DSU awarded under the Matrix DSU Plan. The maximum vesting period is three (3) years. The G&C Committee can elect to have the DSUs vest in equal instalments over three (3) years, contingent on continued employment with Matrix or cliff vest at the end of the three (3) year period. The G&C Committee may at any time shorten the vesting period of any or all DSUs, including upon a change of control. Matrix does not pay dividends on the unvested DSUs.

Subject to the detailed terms of the Matrix DSU Plan and any specific DSU award, generally in the event of a termination of employment:

- (a) due to death, any unvested DSUs vest immediately;
- (b) due to disability, retirement or ceasing to be a director, DSUs continue to vest normally; and
- (c) for any other reason, any unvested DSUs are cancelled immediately.

The Matrix Restricted Share Plan will be the primary equity based compensation plan for employees, officers and directors across the Matrix group of companies going forward. Accordingly, there is no current expectation that further DSUs will be granted under the Matrix DSU Plan.

Summary Compensation Table

The following table sets out the compensation for the NEOs for the years ended December 31, 2011, December 31, 2012 and December 31, 2013:

Name and principal position ¹ (a)	Year (b)	Salary ² (\$) (c)	Share-based awards ³ (\$) (d)	Option-based awards (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) ⁶ (g)	All other compensation ^{7,8,9} (\$) (h)	Total Compensation (\$) (i)
					Annual incentive plans ⁴ (f1)	Long-term incentive plans ⁵ (f2)			
David Levi President and Chief Executive Officer, Matrix Asset Management Inc.	2013	393,750	Nil	Nil	Nil	Nil	39,324	-	433,074
	2012	400,000	Nil	Nil	Nil	Nil	37,034	-	437,034
	2011	400,000	Nil	Nil	Nil	Nil	34,261	-	434,261
Clint Matthews Chief Financial Officer, Matrix Asset Management Inc.	2013	217,265	Nil	Nil	Nil	Nil	10,385	-	227,650
	2012	207,695	Nil	Nil	Nil	Nil	10,385	30,492	248,572
	2011	207,695	Nil	Nil	12,981	Nil	10,385	30,300	261,361
Timothy Lee Chief Investment Officer, Venture Capital, GrowthWorks Capital Ltd.	2013	317,855	Nil	Nil	Nil	50,000	16,114	Nil	383,969
	2012	322,285	Nil	Nil	Nil	50,000	16,114	8,187	396,586
	2011	322,285	Nil	Nil	20,143	50,000	16,114	95,767	504,309
David Balsdon Chief Operating Officer, Matrix Asset Management Inc.	2013	194,792	Nil	Nil	Nil	Nil	13,750	195,558	404,100
	2012	275,000	26,910	Nil	Nil	Nil	13,750	15,750	331,410
	2011	217,333	Nil	Nil	13,583	Nil	10,867	9,000	250,783
Wan Kim Senior Vice-President, National Sales and Marketing, Matrix Asset Management Inc.	2013	160,240	Nil	Nil	38,946	Nil	17,442	61,401	216,628
	2012	189,471	34,110	Nil	18,719	Nil	8,849	8,250	259,399

- (1) Mr. Balsdon's position as Chief Operating officer of Matrix was eliminated in September 2013 and his employment was subsequently terminated. Mr. Kim's position as Senior Vice-President, National Sales and Marketing of Matrix was eliminated in September 2013 and his employment was subsequently terminated. The compensation reported in this table is for compensation that the NEOs received in all positions with the Company during the financial year indicated.
- (2) This column reflects the actual base salary amount paid to the NEOs in 2013. Effective December 16, 2013, the annual salary of Mr. Levi was reduced to \$250,000 and the annual salary of Mr. Lee was reduced to \$215,932. On May 1, 2013, the annual salary of Mr. Matthews was increased to \$222,050. In June 2012, Mr. Kim's annual salary was increased to \$225,000 when he was promoted to Senior Vice-President, Sales.
- (3) Share-based awards are comprised of Restricted Share grants under the Matrix Restricted Share Plan. The value reflected in this column is calculated using the share value on the date of the grant discounted to the fair market value as determined by an external independent valuator. The share value for the 2012 award to Mr. Balsdon was \$0.46, discounted to \$0.1794. Mr. Kim received two awards, one in May 2012 of 150,000 shares at \$0.46, discounted to \$0.1794 and one in November 2012 of 100,000 shares at \$0.20, discounted to \$0.0720. See "Restricted Shares" below for further details.
- (4) The Company's review process for annual performance bonuses typically concludes by April 30th each year for the achievement of the prior year goals and objectives. The maximum annual cash incentive payable to each NEO is generally 25% of their base salary. The process for determining the amount awarded to each NEO is as set out above under "Elements of the Compensation Program – Annual Performance-Based Incentive". The incentive amounts reported for Mr. Kim for 2012 and 2013 reflect actual sales commissions earned. The amounts shown for the year ended December 31, 2013 for Messrs. Levi, Matthews, Lee and Balsdon reflect the actual annual cash incentives paid for 2013, which were nil.
- (5) The amounts shown in this column for Mr. Lee for the years ended December 31, 2011, December 31, 2012 and December 31, 2013 include a pro-rated portion of a retention bonus. Mr. Lee was entitled to receive a bonus of \$150,000 on January 1, 2014, subject to his continued employment at that time. In the event his employment was terminated without cause prior to January 1, 2014, Mr. Lee would have been entitled to receive the bonus on a pro rated basis (approximately \$4,167 per calendar month starting on January 1, 2011); therefore for fiscal 2011, 2012 and 2013, Mr. Lee had earned, but had not been paid, the full \$150,000 of this bonus.
- (6) This value represents Matrix's retirement contributions to the NEOs. Payments are typically made in February based on the salary earned in the prior fiscal year. In the case of Mr. Kim, two RRSP contributions were made: one in February 2013 in the amount of \$9,473 based on his salary earned in 2012 and one upon his departure in September 2013 of \$7,969 based on his 2013 salary earned to date. Details of these contributions are set out above in "Elements of the Compensation Program – Retirement Contributions".
- (7) This column reflects the value of the dividends declared on the NEOs' Restricted Shares (which were Nil in 2013) and; (i) in the case of Mr. Matthews, the perquisites described in note 8 below; (ii) in the case of Mr. Balsdon, vacation pay, severance, and a retention incentive bonus (see note 9 below); (iii) in the case of Mr. Kim, vacation pay and a retention incentive bonus (see note 9 below); and (iii) and in the case of Mr. Lee, a one time performance bonus in 2011 in the amount of \$87,580.35. Mr. Lee's bonus was earned in 2011 and paid in April 2013.
- (8) The Company does offer perquisites to its NEOs (car allowance and parking). However, in the case of Mr. Levi, the perquisites awarded are less than \$50,000 and/or 10% of total salary and therefore are not included in this column. Growth Works Capital Ltd. agreed to pay Mr. Matthews \$14,343 annually until April 2013 in accordance with the relocation package that formed part of Mr. Matthews' employment contract. This relocation amount was \$4,781 in 2013. Mr. Matthews also receives a car allowance valued at \$6,600 annually as well as paid parking valued at \$2,448 annually.

- (9) Upon his departure in September 2013, Mr. Balsdon received vacation pay of \$14,350, severance payments of \$81,208 and a retention incentive bonus of \$100,000. Upon Mr. Kim's departure in September 2013, he received vacation pay of \$12,115, and a retention incentive bonus of \$49,286. See "Termination and Change of Control Benefits" below for further details.

Restricted Shares

In accordance with the Company's compensation policy, each employee classification has a certain level of share ownership attached. The "job band" for the NEOs was set at 250,000 Common Shares. As Mr. Levi holds in excess of 250,000 Common Shares, he was not awarded Restricted Shares pursuant to the Matrix Restricted Share Plan. The value reflected within the above table is calculated using the share value on the date of the grant discounted to the fair market value (taking into account the restrictions applied to the Restricted Shares) as determined by an external independent valuator. The table below provides the details of Restricted Shares granted to the NEOs. The accounting fair value is the market price of the Company Shares on the date of grant less the applicable discount under GAAP as determined by the external independent valuator.

Name	Grant Year	Number of Awards (#)	Share Value on Date of Grant (\$)	Share Fair Market Value (\$)	Share Accounting Fair Value (\$)
David Balsdon	2012	150,000	0.46	0.1794	0.2208
Wan Kim	2012	150,000	0.46	0.1794	0.2208
Wan Kim	2012	100,000	0.20	0.0720	0.0900

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The table below presents details of all outstanding option-based awards and outstanding unvested share-based awards at December 31, 2013:

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (\$) (e)	Number of shares or units of shares that have not vested ¹ (#) (f)	Market or payout value of share-based awards that have not vested ² (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
David Levi	-	-	-	-	-	-	-
Clint Matthews	-	-	-	-	71,011	710	-
Timothy Lee	-	-	-	-	81,865	819	-
David Balsdon	-	-	-	-	240,000	240	-
Wan Kim	-	-	-	-	250,000	2500	-

- (1) The number in this column represents Restricted Shares. Under the Matrix Restricted Share Plan, voting rights for 20% of an award vest annually over five (5) years. 100% of the Restricted Shares are subject to restrictions on transfer during the first three (3) years after the grant date and 60% of the Restricted Shares are subject to restrictions on transfer until the full five (5) year vesting period has passed. See the Restrictions Summary Table under "Share-Based and Option-Based Awards – The Matrix Restricted Share Plan". The initial grant date is September 28, 2010 for each of Messrs. Matthews, Lee and Balsdon, and May 15, 2012 and November 13, 2012 for Mr. Kim. Mr. Balsdon received a second grant on May 15, 2012. The Restricted Shares will be considered vested for the purposes of this table when such shares are no longer subject to transfer restrictions. A portion of Mr. Balsdon's Restricted Shares (210,000) were forfeited when he stepped down from his position of Chief Compliance Officer in September 2013. A portion of Mr. Wan's Restricted Shares (220,000) were forfeited when he stepped down from his position of SVP National Sales & Marketing in September 2013.
- (2) The value in this column is the aggregate of the number of Restricted Shares multiplied by the share price as of December 31, 2013, being \$0.01.

Incentive Plan Awards – Value Vested or Earned During the Year

The table below presents details of all incentive plan awards vested or earned during 2013:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year ¹ (\$)	Share-based awards – # of shares vested for voting purposes during the year ¹ (#)	Non-equity incentive plan compensation – Value earned during the year ^{2,3} (\$)
David Levi	-	-	-	Nil
Clint Matthews	-	-	23,670	Nil
Timothy Lee	-	-	27,289	150,000
David Balsdon	-	-	30,000	Nil
Wan Kim	-	-	30,000	38,946

- (1) Under the Matrix Restricted Share Plan, voting rights for 20% of an award vest annually over five (5) years. 100% of the Restricted Shares are subject to restrictions on transfer during the first three (3) years after the grant date and 60% of the Restricted Shares are subject to restrictions on transfer until the full five (5) year vesting period has passed. See the Restrictions Summary Table under “Share-Based and Option-Based Awards – The Matrix Restricted Share Plan”. The initial grant date is September 28, 2010 for each of Messrs. Matthews, Lee and Balsdon and May 15, 2012 and November 13, 2012 for Mr. Kim. Mr. Balsdon received a second grant on May 15, 2012. A portion of Mr. Balsdon’s Restricted Shares (210,000) were forfeited when he stepped down from his position of Chief Compliance Officer in September 2013. A portion of Mr. Wan’s Restricted Shares (220,000) were forfeited when he stepped down from his position of SVP National Sales & Marketing in September 2013. The value of Restricted Shares will be reported in this table as vested when such shares are no longer subject to transfer restrictions.
- (2) The amount referred to in this column for Mr. Lee represents the aggregate of the annual cash incentive paid to Mr. Lee for 2013, which was nil, and a prorated portion of a retention bonus. Mr. Lee was entitled to receive a bonus of \$150,000 on January 1, 2014, subject to his continued employment at that time. Mr. Lee earned the full retention bonus of \$150,000 on December 31, 2013.
- (3) The amounts in this column for each of Messrs. Levi, Matthews and Balsdon reflect the actual annual cash incentive paid to them for 2013, which was nil. The amount in this column for Mr. Kim reflects actual sales commissions earned for 2013.

The Company currently has three separate equity-based incentive plans; however, only the Matrix Restricted Share Plan forms part of its compensation plan. The Matrix Restricted Share Plan is described above in the section “Share-Based and Option-Based Awards – The Matrix Restricted Share Plan”. The Matrix DSU Plan and the Matrix Stock Option Plan are historical incentive plans with the terms and conditions substantially the same as those of the deferred share unit plan and the SEAMARK Stock Option Plan administered by SEAMARK prior to the Business Combination. The Company does not intend to award any further grants under the Matrix DSU Plan or the Matrix Stock Option.

On completion of the Business Combination, grants under the SEAMARK Stock Option Plan migrated to the Matrix Stock Option Plan and will be permitted to expire in accordance with the terms of the original grants. There are no NEOs with option-based awards.

On completion of the Business Combination, awards under the SEAMARK DSU Plan migrated to the Matrix DSU Plan and will vest in accordance with the terms of the original awards. There are no NEOs with DSU awards.

Termination and Change of Control Benefits

The employment agreements of Messrs. Balsdon, Lee and Kim include termination provisions triggered by a termination of employment for any reason other than just cause. The benefit specifies notice or termination pay in lieu of notice of one and a half months’ per year of completed service (and a minimum of one and a half months’ pay). As of December 31, 2013, Mr. Lee had 8 completed years of service. On September 10, 2013, Mr. Balsdon was given notice of termination of his employment with 11 completed years of service and was paid \$81,208 termination pay in 2013. He is owed an additional \$221,890 in termination pay in 2014. Mr. Balsdon agreed to forego the remaining \$112,781 in exchange for a deposit to the IPA Pool at a 50% premium. On September 16, 2013, Mr. Kim’s employment was terminated as part of the asset sale of Matrix Funds. Because he accepted a position with the successor employer, he was not paid any termination pay.

In addition, as a retention incentive, the Company also agreed to pay to each of Messrs. Balsdon, Lee and Kim an amount equal to 50% of their annual base salary if they remained employed by Matrix and prior to December 31, 2013 their position with Matrix was eliminated or substantially changed as a result of a change in control event or the sale of one or more of Matrix’s operating divisions. Under this provision, Mr. Balsdon qualified for a retention bonus of \$137,500, \$100,000 of which was paid to Mr. Balsdon in 2013. Mr. Balsdon agreed to forego the remaining \$37,500 in exchange for a deposit to the IPA Pool (discussed below) at a 50% premium. Mr. Kim qualified for a retention bonus of \$112,500 and was paid \$49,286 in 2013. In addition, his Restriction Share Loan of \$13,214 was forgiven, and he will be paid an additional \$50,000 in 2014.

During the year ended December 31, 2013, a subsidiary of the Company introduced an IPA Pool Policy (“Policy”) which allows certain employees, suppliers, and creditors (“Grantees”) to join the IPA Pool from time to time. The policy permits the subsidiary company to grant a right to receive potential monetary awards to a Grantee from the IPA Pool upon the Grantee forfeiting any right to an indebtedness owed by the Company which forms the basis for the IPA Pool participation. All

creditors willing to forfeit their indebtedness may participate in the IPA Pool at a premium. An IPA Pool Payout is an amount equal to the aggregate dividends actually received by subsidiaries of the Company from Working Opportunity Fund (EVCC) Ltd. IPA Shares, GrowthWorks Commercialization Fund Ltd. IPA Shares, and GrowthWorks Atlantic Venture Fund Ltd. IPA Shares, and performance fees received from Institutional VC Group, less 25% of the amount due to certain investment team members, less 7.5% to a consultant to the Company, less 7.5% payable to certain senior officers, less taxes, regulatory obligations and other costs, obligations and payments as determined by the Board of Directors. IPA Pool Payouts may be made prior to payments being made to other non-participating creditors. To date, no such dividend revenues have been received by subsidiaries of the Company resulting in distributions or entitlements from the IPA Pool. These individual creditors have forfeited their rights to any other payments from the Company in accordance with the Policy. The Company intends to honour all IPA Pool commitments but is obligated only if contingent revenues described above are received. Disbursements from the IPA Pool also require approval from an independent lender to the Company, the Board of Directors at that time, and applicable regulators.

The Matrix Restricted Share Plan, the Matrix Stock Option Plan and the Matrix DSU Plan direct the treatment of Restricted Shares, Stock Options and DSUs in the event of termination or change of control. For further details, see “Share-Based and Option-Based Awards” – “The Matrix Restricted Share Plan”, “The Matrix Stock Option Plan” and “The Matrix DSU Plan”.

Director Compensation

The Board of Directors’ compensation is designed to enable the Company to attract and retain committed and qualified directors and to align their compensation with the long-term interests of the Company. The G&C Committee is responsible for the development and implementation of the directors’ compensation arrangements. The G&C Committee reviews the compensation of directors periodically to ensure that the compensation paid to directors is appropriate considering the size, scope and complexity of the Company, the time commitment required of directors, and the Company’s need to continue to attract qualified directors. Directors who are also full time executive officers of the Company do not receive any compensation for acting as directors.

Following the Business Combination, SEAMARK’s director compensation plan was adopted by Matrix and the G&C Committee engaged Towers Watson to assess the market competitiveness of this plan. The Towers Watson report recommended minimal adjustments to the directors’ compensation plan which were recommended by the G&C Committee and adopted by the Board of Directors in May of 2010. A review of the director’s compensation plan against the same comparator group of companies which were previously identified in the Towers Watson report was carried out in November 2011 and in March 2013. Following the review in November 2011, adjustments to the annual retainers were recommended by the G&C Committee and adopted by the Board of Directors. In March 2013, no adjustments were recommended.

The directors of the Company (other than Mr. Levi) receive an annual retainer and are paid a fee for each board or committee meeting attended. The Chair of the Board is not paid meeting fees. The director compensation is as follows:

Position	Annual Retainer	Compensation per Meeting Attended in Person	Compensation per Meeting by Teleconference
Chair of the Board	\$96,000	\$0	\$0
Independent Director	\$32,000	\$1,500	\$1,000
Committee Chair (other than Audit)	\$10,000	\$0	\$0
Audit Committee Chair	\$13,000	\$0	\$0

If a Committee meeting is held on the same day as a Board of Directors meeting, a single meeting fee is paid for the full day. Directors may elect payment by Common Shares of the Company or Restricted Shares awarded under the Matrix Restricted Share Plan. Prior to August 2011, Directors could elect payment by deferred stock units under the Company’s DSU Plan. In May 2011, all participants in the DSU Plan were offered an opportunity to exchange their DSUs for Restricted Shares under the Matrix Restricted Share Plan. Former Director, Mr. Lawrence Bell, was the only Director who held DSUs and he participated in the exchange.

The Board adopted share ownership guidelines for the directors. The directors are to obtain share ownership equal in value to three times the director’s annual retainer to be achieved within five years. These share ownership guidelines were implemented to align directors’ interests with those of the Shareholders. Directors participated in the initial Restricted Share grants in 2010 under the Matrix Restricted Share Plan.

The following table sets forth all compensation earned for the financial year ended December 31, 2013 by members of the Matrix Board of Directors, except for Messrs. Levi and Balsdon¹ who do not receive compensation as directors:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Lawrence I. Bell ¹	\$96,000	Nil	Nil	Nil	Nil	Nil	\$96,000
Dale G. Parker ¹	\$85,000	Nil	Nil	Nil	Nil	Nil	\$85,000
D. Stephen Rankin ¹	\$75,500	Nil	Nil	Nil	Nil	Nil	\$75,500
John T. Shields ^{1,2}	\$79,065	Nil	Nil	Nil	Nil	Nil	\$79,065

- (1) Mr. Balsdon ceased to be a director of Matrix on September 16, 2013. Messrs. Bell, Parker, Rankin and Shields ceased to be directors of Matrix on April 13, 2014.
- (2) While a director in 2013, Mr. Shields had directed that all fees owed to him as a result of his appointment as a director of Matrix be paid directly to John T. Shields Consulting Ltd. The amount reported for Mr. Shields includes \$7,565 in Harmonized Sales Tax.
- (3) All directors elected to not receive their directors fees in cash in 2013, but agreed to forego their directors fees in exchange for a deposit to the IPA Pool at a 50% premium. During the year ended December 31, 2013, a subsidiary of the Company introduced an IPA Pool Policy ("Policy") which allows certain employees, suppliers, and creditors ("Grantees") to join the IPA Pool from time to time. The policy permits the subsidiary company to grant a right to receive potential monetary awards to a Grantee from the IPA Pool upon the Grantee forfeiting any right to an indebtedness owed by the Company which forms the basis for the IPA Pool participation. All creditors willing to forfeit their indebtedness may participate in the IPA Pool at a premium. An IPA Pool Payout is an amount equal to the aggregate dividends actually received by subsidiaries of the Company from Working Opportunity Fund (EVCC) Ltd. IPA Shares, GrowthWorks Commercialization Fund Ltd. IPA Shares, and GrowthWorks Atlantic Venture Fund Ltd. IPA Shares, and performance fees received from Institutional VC Group, less 25% of the amount due to certain investment team members, less 7.5% to a consultant to the Company, less 7.5% payable to certain senior officers, less taxes, regulatory obligations and other costs, obligations and payments as determined by the Board of Directors. IPA Pool Payouts may be made prior to payments being made to other non-participating creditors. To date, no such dividend revenues have been received by subsidiaries of the Company resulting in distributions or entitlements from the IPA Pool. These individual creditors have forfeited their rights to any other payments from the Company in accordance with the Policy. The Company intends to honour all IPA Pool commitments but is obligated only if contingent revenues described above are received. Disbursements from the IPA Pool also require approval of an independent lender to the Company, the Board of Directors at that time, and applicable regulators.

Outstanding share-based awards and option-based awards

The following table sets out all option-based and share awards outstanding as at December 31, 2013, if any, including those granted before December 31, 2013 for each of the directors who are not NEOs of Matrix.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (\$) (e)	Number of shares or units of shares that have not vested ¹ (#) (f)	Market or payout value of share-based awards that have not vested ² (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
Lawrence I. Bell ³	-	-	-	-	158,441	\$1,584	-
Dale G. Parker ³	-	-	-	-	36,472	\$364	-
D. Stephen Rankin ³	-	-	-	-	60,000	\$600	-
John T. Shields ³	-	-	-	-	60,000	\$600	-

- (1) The number in this column represents Restricted Shares. Under the Matrix Restricted Share Plan, voting rights for 20% of an award vest annually over five (5) years. 100% of the Restricted Shares are subject to restrictions on transfer during the first three (3) years after the grant date and 60% of the Restricted Shares are subject to restrictions on transfer until the full five (5) year vesting period has passed. See the Restrictions Summary Table under "Share-Based and Option-Based Awards – The Matrix Restricted Share Plan". The initial grant date is September 28, 2010 for each of the directors. Mr. Bell received a second grant upon exchange of his DSUs on May 20, 2011. The Restricted Shares will be considered vested for the purposes of this table when such shares are no longer subject to transfer restrictions.
- (2) The value in this column is aggregate of the number of unvested Restricted Shares multiplied by the share price as of December 31, 2013, being \$0.01.
- (3) Messrs. Bell, Parker, Rankin and Shields ceased to be directors of Matrix on April 13, 2014 and forfeited 101,063, 24,315, 40,000, and 40,000 Restricted Shares respectively, pursuant to the terms of the Matrix Restricted Share Plan.

Incentive plan awards – value vested or earned during the year

The following table summarizes for each of the directors who are not NEOs of Matrix, the value of the option-based awards vested during the financial year ended December 31, 2013, if any, the value of share-based awards vested during the financial year ended December 31, 2013, if any, and the value of the non-equity incentive plan compensation earned during the financial year ended December 31, 2013, if any.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Share-based awards – # of shares vested for voting purposes during the year¹ (#)	Non-equity incentive plan compensation- Value earned during the year (\$)
Lawrence I. Bell ²	-	-	43,686	-
Dale G. Parker ²	-	-	12,158	-
D. Stephen Rankin ²	-	-	20,000	-
John T. Shields ²	-	-	20,000	-

- (1) Under the Matrix Restricted Share Plan, voting rights for 20% of an award vest annually over five (5) years. 100% of the Restricted Shares are subject to restrictions on transfer during the first three (3) years after the grant date and 60% of the Restricted Shares are subject to restrictions on transfer until the full five (5) year vesting period has passed. See the Restrictions Summary Table under “Share-Based and Option-Based Awards – The Matrix Restricted Share Plan”. The initial grant date is September 28, 2010 for each of the directors, except Mr. Bell. Mr. Bell’s initial grant date is May 20, 2011. The value of Restricted Shares will be reported in this table as vested when such shares are no longer subject to transfer restrictions.
- (2) Messrs. Bell, Parker, Rankin and Shields ceased to be directors of Matrix on April 13, 2014.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.

GROWTHWORKS WV MANAGEMENT LTD. and GROWTHWORKS CANADIAN FUND LTD.

Plaintiff

Defendant

Court File No. CV-13-10279-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD FOR THE APPLICANT
CORNERSTONE SECURITIES CANADA INC.**

GERALD S. FIELDS
Barrister and Solicitor
The Exchange Tower
130 King Street West
Suite 1800
Toronto, Ontario
M5X 1E3

Tel.: 416-862-8000
Fax: 416-862-8001
Email:
gfields@cornerstonegroup.com

LSUC#: 14214J

Lawyer for the Applicant
Cornerstone Securities Canada Inc.