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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N :

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

AND IN THE MATTER OF A PLAN
OF COMPROMISE OR ARRANGEMENT OF
GROWTHWORKS CANADIAN FUND LTD.

EIGHTEENTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

January 26, 2017

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

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SUPERIOR COURT OF JUSTICE
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EIGHTEENTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

1. On October 1, 2013, GrowthWorks Canadian Fund Ltd. (the "**Fund**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") and an initial order (the "**Initial Order**", a copy of which is attached hereto as **Appendix "A"**) was made by the Honourable Justice Newbould of the Ontario Superior Court (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicant until October 31, 2013, which stay of proceedings was thereafter extended until June 30, 2017 (the "**Stay of Proceedings**"), and appointing FTI Consulting Canada Inc. as monitor of the Fund (the "**Monitor**"). The proceedings commenced by the Fund under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. The Fund is a labour sponsored venture capital fund that currently has a mature and diversified portfolio (the "**Portfolio**") consisting primarily of investments made in small and medium-sized Canadian businesses. The Fund was formed in 1988 with the investment objective of achieving long term appreciation for its Class A shareholders, whom principally comprise retail investors.

3. The Fund experienced liquidity issues because of, *inter alia*, an inability to access short-term financing as well as unfavourable market conditions impacting its ability to divest, at a profit, its relatively illiquid investments. As a result of these liquidity issues, the Fund was unable to meet its obligations as they became due.

4. Pursuant to an Order granted by the Court on October 29, 2013, the Initial Order was amended and restated (the "**Amended and Restated Initial Order**"). A copy of the October 29, 2013 Order attaching the Amended and Restated Initial Order is attached hereto as **Appendix "B"**.

5. On May 14, 2014, following a failed court-approved sale process in the CCAA Proceedings, this Court approved the execution of an Investment Advisor Agreement with Roseway Capital S.a.r.l, the Fund's former sole secured creditor ("**Roseway**"), pursuant to which Roseway was retained by the Fund to provide investment management services to the Fund in relation to its Portfolio. Following payment to Roseway in full, the Fund terminated the Investment Advisor Agreement with Roseway and the Court, on June 30, 2016, approved the Fund entering into an Investment Advisor Agreement with Crimson Capital Inc.

6. Prior to the commencement of these CCAA Proceedings, the Fund's Portfolio was managed by GrowthWorks WV Management Ltd. (the "**Former Manager**"), pursuant to a Management Agreement dated July 15, 2006 ("**Management Agreement**"). Just prior to the commencement of these proceedings, on September 30, 2013, the Fund terminated the Management Agreement as a result of a purported breach by the Former Manager of its obligations under the Management Agreement.

7. The termination of the Management Agreement resulted in the filing of a statement of claim by the Former Manager in the approximate amount of $18 million. The Fund in response served and filed a statement of defence and issued a counter claim in the amount of $25 million. In addition, the Former Manager served a motion against the Fund in respect of a post filing claim in the approximate amount of $500,000.

8. The Former Manager's claim against the Fund represents the largest unsecured claim filed in the estate and, accordingly, this claim, along with the Fund's counter claim will

dictate the amount of recovery to unsecured creditors, if any, and to equity holders of the Fund.

PURPOSE OF THIS REPORT

9. The purpose of this eighteenth report of the Monitor is to provide the Court with the Monitor's observations and comments on the post-filing claim of the Former Manager.

10. The Former Manager is claiming approximately $500,000 for costs that the Former Manager states were incurred in respect of post filing services provided to the Fund (the "**Post Filing Claim**").

11. The Post Filing Claim represents a small portion of the overall claim subject to litigation as between the Former Manager and the Fund, with the majority of the litigation centered on the termination of the Management Agreement and other events that occurred prior to the commencement of these CCAA Proceedings. The Monitor was only involved in the post-filing dealings between the Fund and the Former Manager, accordingly this report, including any comments and observations, are solely made in respect of the Post-Filing Claim.

TERMS OF REFERENCE

12. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor, where appropriate the Applicants' books and records and discussions with various parties and the Fund's management and investment advisors.

13. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

15. This report should be read in conjunction with pleadings and affidavits filed by the Fund and the Former Manager with respect to this litigation.

POST-FILING CLAIM AGAINST THE FORMER MANAGER

The Management Agreement

16. Prior to September 30, 2013 and the commencement of these CCAA Proceedings, the Fund's day-to-day operations with respect to the Portfolio were delegated to the Former Manager pursuant to the Management Agreement. On September 30, 2013, the Fund terminated the Management Agreement.

17. Under section 8.4 of the Management Agreement, upon termination thereof by the Fund, the Former Manager is required to use reasonable commercial efforts to cooperate with the Fund to facilitate an orderly transition and, under section 8.5 of the Management Agreement, to promptly deliver to the Fund all records, including electronic records or data in a form accessible to the Fund. In addition, upon termination of the Management Agreement, the Fund under section 8.6 of the Management Agreement is required to pay to the Former Manager, all reasonable transfer, wind-down and transition costs incurred by or put to the Former Manager as a result of having to transition operations to a successor manager.

The Critical Services Transition Agreement

18. The Management Agreement does not specify in detail the specific transition services required to be undertaken by the Former Manager, nor the cost thereof. Therefore following the granting of the Initial Order, the Fund and the Former Manager, with the oversight of the Monitor, engaged in discussions regarding the scope of services to be provided by the Former Manager and the cost of such services.

19. The foregoing discussions resulted in the execution and approval by the Court of a Critical Transition Services Agreement dated October 25, 2013 (the "**CTSA**", a copy of which is attached hereto as **Appendix "C"**), entered into between the Fund and the Former Manager. As noted in the Second report of the Monitor to the Court dated October 28, 2013 and attached hereto without exhibits as **Appendix "D"**, under the CTSA, the Fund and the

Former Manager agreed to the specific critical transition services that were to be provided (the "**Critical Transition Services**"). The CTSA provided the specificity around the Former Manager's broad transition obligations under the Management Agreement as well as the cost for such Critical Transition Services. The CTSA established four main Critical Transition Services that would be provided to the Fund by the Former Manager in the CCAA proceedings:

(a) assistance with the Fund's ongoing audit and valuation for fiscal 2013, including signing the related management representation letter;

(b) providing to the Fund copies of any agreements, retainer letters or other paperwork, if any, documenting the relationship with third party vendors and access to data in a form accessible in the system of the software provider, Just Systems;

(c) attendance by certain of the Former Manager's employees at meetings with the Fund and the Monitor regarding the Fund's representation on the boards of portfolio companies held by the Fund and related matters; and

(d) providing information to the Fund based on reasonable requests by the Fund.

20. Under the CTSA, the Fund agreed to pay the costs of the Former Manager for the Critical Transition Services. These costs were to be calculated with reference to the hourly cost per employee (based on the total actual annual salary of the individual employee, plus benefits and other employment costs) multiplied by the number of hours worked on Critical Transition Services. The Former Manager was required to submit invoices to the Fund weekly, with detailed timesheets, and the Monitor and the Fund were to review the invoices for reasonability. If the invoices were found to be reasonable, the Fund was to pay the invoice within two weeks of receipt.

21. Concurrently with the approval of the CTSA, the Court approved a critical suppliers charge in favour of the Former Manager in an amount equal to the lesser of: (a) the value of the goods and services supplied by the Critical Supplier and received by the Fund after the

date of the Initial Order less all amounts paid in respect of such goods and services; and (b) the amount to which the Former Manager is entitled to be paid under the CTSA.

22. At the time the CTSA was entered into, it was the understanding of the Monitor that: (i) the Management Agreement was terminated and therefore the management services formerly provided by the Former Manager to the Fund under sections 3.1 and 3.2 of the Management Agreement, including managing the day to day operations and providing portfolio advisory and investment management services would cease to be provided and (ii) the CTSA would govern the relationship between the Former Manager and the Fund in providing the Critical Transition Services.

23. Since the Former Manager managed the day-to-day operations of the Fund, it was in a position to know which transition services were required by the Fund on an on-going basis. Accordingly, the Fund largely relied on the Former Manager to bring to its attention any additional services that might be required before contracting for such services.

Breakdown of the Former Manager's Post-Filing Claim

24. The Former Manager claims approximately $500,000 in respect of post-filing expenses. These amounts are broken out by the Former Manager as follows:

(a) Claim 1 - $94,781.29 in respect of the Fund's share of costs incurred by the Former Manager in retaining the services of Concentra to act as the RRSP trustee;

(b) Claim 2 - $67,259.51 in respect of the Fund's share of the fees paid to Just Systems for the UMP Software licence;

(c) Claim 3 - $34,627 in respect of the Fund's share of fees paid to FundSERV for access to its network;

(d) Claim 4 - $69,666.89 in respect of accounting services, as well as the Fund's share of the Former Manager's overhead expenses relating to the provision of accounting services; and

(e) Claim 5 - $94,630.96 in respect of the Fund's share of employment costs incurred by the Former Manager to maintain a customer support services team, as well as the Fund's share of the Former Manager's overhead expenses relating to the provision of such customer support services.

Claim 1- Concentra

25. Following the execution of the CTSA, in or around late November 2013, the Monitor and the Fund were advised by the Former Manger that: (i) certain of the Fund's Class A Shareholders were participants in a group RRSP with Concentra as RRSP trustee (the "**Group RRSP**") established by the Former Manager for the purposes of effecting sales of shares of the Fund and other funds managed by the Former Manager; (ii) participants in the Group RRSP that turned 71 in 2013 were required by applicable tax laws to collapse their RRSP and transfer to RIFs; and (iii) that certain services were required to be performed by the Fund in order to comply with those tax requirements.

26. As the Fund was no longer effecting sales of its shares to investors during the CCAA Proceedings, the services of Concentra, as RRSP trustee, were no longer required to support those sales activities. Notwithstanding this however, the Monitor understood based on its discussions with the Fund, that tax slips would still need to be generated for Group RRSP members who turned 71 years of age in the prior tax year in order to comply with certain tax requirements.

27. As of November 2013 and through to the end of 2014, the Fund had limited access to the Fund’s shareholder database as the Former Manager was only able to provide a copy of the shareholder database and not a live version with updated information. The copy version of the Fund’s shareholder database also contained comingled shareholder information of other funds managed by the Former Manager, which copy needed to be sorted to contain only the Fund’s shareholders. Accordingly, as the Fund did not receive a live, updated shareholder database from the Former Manager, the Fund needed the Former Manager to process the T4 RRSP tax slips and to maintain the shareholder database. As noted in the Fifth Report of the Monitor to the Court dated January 8, 2014, a copy of which without exhibits is attached hereto as **Appendix “E”**:

> Since the execution of the CTSA, the Fund later identified certain additional transition services which were not outlined in the scope of transitional services to be provided in the CTSA, but which are needed by the Fund. Accordingly, the Fund and the Former Manager, with the oversight of the Monitor, have negotiated for the provision of certain additional transition services to be provided by the Former Manager, namely recording shareholder information and administrative requests and processing account changes as they relate to RRSP transfers. The Former Manager has begun and continues to provide these transition services to the Fund, in addition to other ongoing services in accordance with the CTSA.

28. In November 2013, the Former Manager indicated to the Fund that processing the tax slips would cost the Fund approximately $7,000, the Fund and the Monitor approved such payment. This transition service would also be required for 2014 given that the Fund did not have access to its shareholder database until late 2014. In December 2014, however, the Former Manager indicated that the cost to process the T4 Tax slips would be $63,000 instead of $7,000. The Fund did not accept this offer. As noted in the Eleventh Report of the Monitor to the Court dated October 17, 2014, a copy of which is attached without exhibits as **Appendix "F"** hereto:

> For the 2014 Calendar Year, the Fund did not request that the Former Manager process RIF transfers or other shareholder information changes. Accordingly, the Monitor has received numerous calls, emails and faxes from shareholders of the Fund to process such transfers...The Monitor has indicated to the Fund that it is not cost effective for the Monitor to deal with the RIF transfers, to process other shareholder requests or to update the shareholder database.
>
> The Fund has indicated to the Monitor that is investigating the engagement of third party service providers to process RIF transfers for 2014 and to deal with other shareholder requests, however the Fund has further advised that its ability to properly engage such third party service providers is constrained as a result of the absence of all of the books and records of the Fund in a database that is in the possession of the Former Manager...The Fund with the assistance of the Monitor, continues to diligently seek from the Former Manager, the Fund's records and documentation in a useable format relating to the Fund's business and affairs that are in the possession and control of the Former Manager and which the Fund has requested on several occasions.

29. For 2014, the Fund made alternative arrangements to have this RRSP transfers undertaken so that shareholders would not subject to negative tax consequences of a forced RRSP withdrawal. As noted in the Twelfth Report of the Monitor dated December 16, 2014, a copy of which is attached hereto without exhibits as **Appendix "G"**:

> The Monitor is aware that the Fund has expended considerable effort to negotiate the engagement of third party service providers to process RIF transfers for 2014, to issue related T4 slips, to maintain the shareholder database and update the shareholder database.

30. The Monitor understands that the Former Manager or one of its affiliates contracted directly with Concentra to act as bare trustee for purposes of the RRSPs of all of the funds managed by it. The Former Manager claims from the Fund a portion of the overall fee that Concentra charges the Former Manager, however the Monitor was not aware in 2013 that the Former Manager intended to charge the Fund this fee, nor was such fee approved by the Monitor- which approval was required pursuant to the terms of the Initial Order. In addition, the Monitor understands that this critical transition service of processing RRSP transfers was in part the result of the Fund's inability to obtain its shareholder database from the Former Manager in a useable format.

Claim # 2- Just Systems

31. The Former Manager claims $67,259.51 in respect of the Fund's share of the fees paid to Just Systems for the UMP software license.

32. The Monitor understands that Just Systems provided a license to the Former Manager for certain software (the "**UMP Software**") to manage a database of records and information of all of the shareholders of the various funds that the Former Manager managed.

33. Since the Fund in November 2013 did not have access to its shareholder database, it required the Former Manager to continue to maintain the database until such time as the Fund was provided a copy of its shareholder database pursuant to the terms of the Management Agreement. In late November 2013, the Former Manager emailed to the Fund and the Monitor a proposal to maintain the shareholder database (the "**Just Systems Costing Proposal**", a copy of which is attached hereto as **Appendix "H"**).

34. Under the Just Systems Costing Proposal, the Former Manager required the Fund to pay for Just Systems based on the relative value of the assets under management of the Fund. The Just Systems Costing Proposal specifically contemplated that the Fund would be charged an allocation of the license fee based on the relative value of the "assets under management" for the period from October 1, 2013 to November 15, 2013 and, post November 15, 2013. The Fund, with the approval of the Monitor, agreed to pay this cost allocation and between October 1, 2013 and June 30, 2014 approximately $42,000 was paid to the Former Manager in respect of Just Systems.

35. Although the Just Systems Costing Proposal contemplated that the Fund would transition to a new vendor database to maintain its shareholder database, as mentioned above, the Fund was unable to obtain its shareholder database from the Former Manager until November 2014, and, at this time, the Fund's shareholder data needed to be separated from the shareholder data of the other funds managed by the Former Manager because of the practice of the Former Manager to co-mingle fund data. The Fund engaged Just Systems (now called IAS) to separate the comingled data and to maintain the shareholder database.

36. The Monitor understood and approved payment by the Fund to the Former Manager in respect of Just Systems on the basis of an allocation derived from the relative value of the assets under management of the Fund rather than the allocation the Former Manager claims- which is payment based on the number of shareholders of each of the funds managed by the Former Manager.

Claim #3- FundServ

37. Based on discussions with the Fund, the Monitor always understood that FundSERV was not a third party service provider that the Fund required during the CCAA Proceedings. The Monitor understands that FundSERV is a private enterprise that connects broker-dealer networks with the shareholder database system and was used principally for shareholders to make redemption requests or to trade their shares. As the Fund was not trading during the CCAA proceedings and redemption requests were suspended, there was no requirement from the Fund's perspective for FundSERV.

38. The Monitor understands that the Fund currently does not operate nor require the services of FundSERV and never has requested this service from the Former Manager during the CCAA Proceedings.

Claims #4 & 5- Accounting Services and Employment Costs

39. Claim numbers 4 and 5 of the Former Manager's post filing claim principally relate to overhead costs. The Former Manager is of the view that it should be reimbursed for the true costs of performing the services, including maintaining an adequately staffed facility to service all of the funds that the Former Manager managed.

40. Under the CTSA, payment for the transition services was to be calculated on the basis of time spent by the Former Manager's staff, which calculation is based on the total actual annual salary of an individual employee, plus benefits and other employment costs.

41. The Fund, with the support of the Monitor, has consistently taken the view that "other employment costs" did not include overhead costs and that any services that were not contemplated in the CTSA but were performed by the Former Manager were outside the scope of the CTSA accordingly, the Fund did not pay the overhead costs demanded by the Former Manager and costs for third party services demanded by the Former Manager, but rather paid the costs based on the method provided for in the CTSA.

Requests of the Former Manager

42. On January 13, 2017, counsel to the Fund and the Monitor received a letter from counsel to the Former Manager, a copy of which is attached hereto as **Appendix "I"** requesting further answers and documentation from the Fund and the Monitor. The Monitor understands that the Fund has already provided the Former Manager with certain invoices requested in the above noted letter.

43. The Monitor has provided to the Fund a summary of the payments made to specific vendors which summary is Exhibit UU of the Affidavit of Ian Ross sworn November 28, 2016 (the "**Vendor Summary**").

44. The Former Manager has requested that the Monitor provide it with copies of all of the invoices and proof of payment for all vendors of the Fund since the commencement of the CCAA Proceedings. During the CCAA proceedings the Fund has received, and the Monitor has paid, with the approval of the Fund, a substantial number of invoices. It is the Monitor's view that providing the requested documents will impose an unnecessary cost on the Fund. Moreover, the Monitor has provided the Vendor Summary to the Former Manager and its legal counsel, and as set out below a schedule of the Fund's receipts and disbursements from the commencement of the CCAA Proceedings to December 31, 2016.

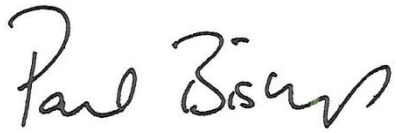
Growthworks Canadian Fund Ltd.

APPLICANT'S RECEIPTS AND DISBURSEMENTS
BETWEEN OCTOBER 1, 2013 AND DECEMBER 31, 2016

(CAD in thousands)	
	Total
Cash Flow from Operations	
Receipts	49,723
Follow on Investments	(1,143)
Back office services and third party service providers	(461)
D&O Insurance premiums	(651)
Fund Legal Counsel	(4,828)
Financial Advisor Fees	(930)
Board Fees	(407)
CEO Fees & Expenses	(505)
Audit & Tax Expenses	(428)
GW Management Fees	(177)
Communications Advisor	(8)
Legal fees re AVC and other litigation	(497)
Other expenses & forex	59
Operating Cash Flows	**39,747**
Monitor and Monitor's Counsel Fees	(2,114)
Investment advisor	(570)
Projected Net Cash Flow	**37,063**
Repayment to Roseway	**(31,711)**
Withholding Tax on Payment to Roseway	(1,024)
Ending Cash Balance	**4,328**

45. The Monitor is of the belief that the Vendor Summary and such receipts and disbursements schedule provides the Former Manager with sufficient detail of the Fund's receipts and disbursements and evidence of payments made by the Monitor, on behalf of the Fund, to the Fund's vendors and suppliers of professional and other services.

46. To the extent necessary, the Monitor can provide additional information or analysis if the Court so requests.



The Monitor respectfully submits to the Court this Eighteenth Report.
Dated this 26h day of January, 2017.
FTI Consulting Canada Inc.
In its capacity as Monitor of GrowthWorks Canadian Fund Ltd. and not in its personal or corporate capacity

Paul Bishop
Senior Managing Directo

APPENDIX "A"

Court File No.: »
CV-13-10279-
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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	TUESDAY, THE 1ST
	)	
JUSTICE NEWBOULD	)	DAY OF OCTOBER, 2013

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**")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of C. Ian Ross sworn September 30, 2013 and the Exhibits thereto (the "**Ross Affidavit**"), and on being advised that Roseway Capital S.a.r.l. ("**Roseway**"), the secured creditor who is likely to be affected by the charges created herein was given notice, and on hearing the submissions of counsel for the Applicants, counsel for Roseway and counsel for the proposed Monitor, FTI Consulting Canada Inc., counsel for the Manager (defined below) and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor,

THIS APPLICATION, made by the Applicant, pursuant to the CCAA was heard this day at 330 University Avenue, Toronto, Ontario.

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled to utilize a central cash management system (a "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or

application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all reasonable transition costs of the Manager (as defined below), and all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing management agreements, compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

(b) Follow on Investments in Portfolio Companies (as defined in the Ross Affidavit) for which provision is made in the Cash Flow Projection (as defined in the Ross Affidavit) or which are approved by the Monitor; and

(c) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the

landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date except as provided in the Cash Flow Projection; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $25,000 in any one transaction or $100,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate and terminate the provision of transitional services by the Manager (as defined below); and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**"). For greater clarity, dispositions of the Applicant's interest in a Portfolio Company (as defined in the Ross Affidavit) as part of a liquidity event, is an ordinary course transaction that does not require Court approval.

12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. THIS COURT ORDERS that until and including October 31,2013, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process

in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. THIS COURT ORDERS that any rights or obligations, including any right or obligation under a contract, an agreement or other document affecting or relating to a Portfolio Company (as defined in the Ross Affidavit), that arise, come into effect or are "triggered" by the insolvency of the Applicant, by the commencement of these proceedings or the making of this Order shall be of no effect and no person shall be entitled to exercise any rights or remedies in connection therewith.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant or any right, renewal right, contract, agreement, licence or permit in favour

of or held by a Portfolio Company to the extent relevant to the Applicant, the Business, the Property or these proceedings, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

this Order is without prejudice to any arguments of the Fund,

CRITICAL SUPPLIERS

20. THIS COURT ORDERS AND DECLARES that Growthworks WV Management Ltd. (the "**Manager**"), GrowthWorks Capital Ltd. ("**GWC**"), ~~and each Person engaged or contracted by the Manager and/or GWC (not including employees of the Manager or GWC)~~ in connection with the purported termination of ~~providing services to the Applicant pursuant to~~ the Management Agreement described in the Ross Affidavit (the "**Management Agreement**") ~~is a critical supplier to the Applicant as contemplated by Section 11.4 of the CCAA (each, a "Critical Supplier")~~, to the extent this Court declares any Person a critical Supplier as contemplated by Section 11.4 of the CCAA (each, a "Critical Supplier"),

21. THIS COURT ORDERS that each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (together, the "**Critical Suppliers' Charge**") on the Property of the Applicant in an amount equal to the lesser of (a) the value of the goods and services supplied by such Critical Supplier and received by the Applicant after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services; (b) the amount to which the Manager is entitled to be paid under section 8.6(b) of the Management Agreement; and (c) $50,000. The Critical Supplier Charge shall have the priority set out in paragraphs 36 and 38 herein.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $1,000,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 36 and 38 herein.

25. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) advise the Applicant in its preparation of the Applicant's cash flow statements;

(d) advise the Applicant in respect to the Plan and any amendments to the Plan;

(e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) have full and complete access to the Property including the premises, the premises of the Manager to the extent Property of the Applicant is located on the Manager's premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order and all Persons, including the Applicant and the Manager, shall permit such full and complete access to such Property to the Monitor;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(h) establish one or more accounts to hold any proceeds of the disposition of the Portfolio Companies (the "**Proceeds Accounts**");

(i) administer the Proceeds Accounts for and on behalf of the Applicants and to distribute funds from such Proceeds Accounts from time to time to satisfy expenses that the Applicant is entitled and/or required to pay pursuant to this Order, as directed by the Applicant and in accordance with the Cash Flow Projection and any update cash flow projections; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property with the exception of the Proceeds Accounts, and shall take no part whatsoever in the management or supervision of the management of the Business or the businesses of the Portfolio Companies and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. THIS COURT ORDERS that McCarthy Tétrault LLP is entitled to transfer the funds held by it in trust as described in the Ross Affidavit at paragraph 88, and any future proceeds that may be received by it from time to time from the disposition of the Portfolio Companies, to the Monitor for deposit into the Proceeds Accounts to be held by the Monitor for and on behalf of the Applicant in accordance with the terms of this Order.

30. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the

"**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. THIS COURT ORDERS that that the Monitor shall provide to any creditor of the Applicant information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

32. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order (including, without limitation, with respect to administering the Proceeds Accounts for and on behalf of the Applicants), save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and CCC, retainers in the amount of $50,000,

respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

34. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor, CCC (as defined in the Ross Affidavit), and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

36. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the Critical Suppliers' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $500,000);

Second – Directors' Charge (to the maximum amount of $1,000,000); and

Third – Critical Suppliers' Charge (to the maximum amount of $50,000).

37. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge and the Critical Suppliers' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

38. THIS COURT ORDERS that each of the Charges (as constituted and defined herein) shall constitute a charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

39. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

40. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act* (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create nor be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) neither the payments made by the Applicant pursuant to this Order nor the granting of the Charges shall constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

41. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

42. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in [newspapers specified by the Court] a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

43. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

44. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as

recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at http://cfcanada.fticonsulting.com/gcfl.

GENERAL

45. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

46. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, a Portfolio Company, the Business or the Property.

47. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

48. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

49. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

50. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

OCT 0 1 2013

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-OOCL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicant
#12547919

APPENDIX "B"

Court File No.: CV-13-10279-OOCL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAME	)	TUESDAY, THE 29TH
	)	
JUSTICE MESBUR	)	DAY OF OCTOBER, 2013

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**")

ORDER

THIS MOTION, made by the Applicant, for an order extending the Stay Period (the "**Stay Period**") defined in paragraph 14 of the Initial Order of the Honourable Mr. Justice Newbould dated October 1, 2013 (the "**Initial Order**") until January 15, 2014, and amending and restating the Initial Order to, among other things, declare certain persons critical suppliers and permit the Applicant to provide an indemnity for certain Applicant-nominated directors of companies in the Applicants' investment portfolio and a related charge, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of C. Ian Ross sworn October 25, 2013 and the Exhibits thereto (the "**Ross Affidavit**") and the Second Report (the "**Second Report**") of FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (the "**Monitor**"), on being advised that Roseway Capital S.a.r.l. consents to the relief requested in this motion, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and counsel for Growthworks WV Management Ltd. (the "**Manager**") no one appearing for any other party although duly served as appears from the affidavit of service,

on "counsel for Roseway," ler

SERVICE

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

STAY EXTENSION

2. THIS COURT ORDERS that the Stay Period is hereby extended until and including January 15, 2014.

MONITOR'S ACTIVITIES AND REPORT

3. THIS COURT ORDERS that the First Report of the Monitor dated October 8, 2013 and the Second Report of the Monitor and the activities described therein are hereby approved.

AMENDED AND RESTATED INITIAL ORDER

4. THIS COURT ORDERS AND DECLARES that the Initial Order is hereby amended and restated in the form attached hereto as Schedule "A".

OCT 2 9 2013

SCHEDULE "A" – AMENDED AND RESTATED INITIAL ORDER

Court File No.: CV-13-10279-OOCL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	) TUESDAY, THE 1ST
	)
JUSTICE NEWBOULD	) DAY OF OCTOBER, 2013

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")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of C. Ian Ross sworn September 30, 2013 and the Exhibits thereto (the "**Ross Affidavit**"), and on being advised that Roseway Capital S.a.r.l. ("**Roseway**"), the secured creditor who is likely to be affected by the charges created herein was given notice, and on hearing the submissions of counsel for the Applicants, counsel for Roseway and counsel for the proposed Monitor, FTI Consulting Canada Inc., counsel for the Manager (defined below) and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor,

THIS APPLICATION, made by the Applicant, pursuant to the CCAA was heard this day at 330 University Avenue, Toronto, Ontario.

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled to utilize a central cash management system (a "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or

application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all reasonable transition costs of the Manager (as defined below) pursuant to the terms of the Critical Transition Services Agreement (as defined below), and all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing management agreements, compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

(b) Follow on Investments in Portfolio Companies (as defined in the Ross Affidavit, the "**Portfolio Companies**", each a "**Portfolio Company**") for which provision is made in the Cash Flow Projection (as defined in the Ross Affidavit) or which are approved by the Monitor; and

(c) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "Sales **Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area

maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date except as provided in the Cash Flow Projection; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $25,000 in any one transaction or $100,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate and terminate the provision of transitional services by the Manager (as defined below); and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**"). For greater clarity, dispositions of the Applicant's interest in a Portfolio Company as part of a liquidity event, is an ordinary course transaction that does not require Court approval.

12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. THIS COURT ORDERS that until and including October 31,2013, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process

in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. THIS COURT ORDERS that any rights or obligations, including any right or obligation under a contract, an agreement or other document affecting or relating to a Portfolio Company, that arise, come into effect or are "triggered" by the insolvency of the Applicant, by the commencement of these proceedings or the making of this Order shall be of no effect and no person shall be entitled to exercise any rights or remedies in connection therewith.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant or any right, renewal right, contract, agreement, licence or permit in favour

of or held by a Portfolio Company to the extent relevant to the Applicant, the Business, the Property or these proceedings, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

CRITICAL SUPPLIERS

20. THIS COURT ORDERS AND DECLARES that this Order is without prejudice to any arguments of the Fund, Growthworks WV Management Ltd. (the "**Manager**") or GrowthWorks Capital Ltd. ("**GWC**"), in connection with the purported termination of the Management Agreement described in the Ross Affidavit (the "**Management Agreement**").

21. THIS COURT ORDERS that, the Manager, GWC, and each Person engaged or contracted by the Manager and/or GWC (not including employees of the Manager or GWC) in connection with providing transitional services to the Applicant pursuant to the Management Agreement on or after October 1, 2013 is a critical supplier to the Applicant as contemplated by Section 11.4 of the CCAA (each, a "**Critical Supplier**") and each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (together, the "**Critical Suppliers' Charge**") on the Property of the Applicant in an amount equal to the lesser of (a) the value of the goods and services supplied by such Critical Supplier and received by the Applicant after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services; and, (b) the amount to which the Manager is entitled to be paid under the Critical Transition Services Agreement attached hereto as Schedule "1". The Critical Supplier Charge shall have the priority set out in paragraphs 38 and 40 herein.

22. THIS COURT ORDERS that each Critical Supplier shall, in addition to any other obligations it has under this Initial Order, supply and continue to supply the Applicant with transitional services pursuant to the Management Agreement. In the case of the Manager, it shall supply and continue to supply the Critical Transition Services (as defined in the Critical Transition Services Agreement) pursuant to and as set out in the Critical Transition Services Agreement. No Critical Supplier may require the payment of a deposit or the posting of any security in connection with the supply of such services after the date of this Order.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant, or against any current or future Applicant-nominated director of any of the Portfolio Companies (the "**Portfolio Company Directors**") with respect to any claim against the directors, officers or Portfolio Company Directors that arose before, on or after the date hereof and that relates, (i) in the case of the former, current or future directors or officers of the Applicant, to any obligations of the Applicant, or (ii) in the case of the Portfolio Company Directors, to any obligations of the Portfolio Companies, and in either case whereby the directors, officers or Portfolio Company Directors are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers, and may indemnify the Portfolio Company Directors if, in its own discretion and in consultation with the Monitor, it elects to do so, against obligations and liabilities that they may incur as directors or officers of the Applicant or directors of a Portfolio Company after the commencement of the within proceedings, except to the extent that, with respect to any director, officer or Portfolio Company Director, the obligation or liability was incurred as a result of the director's, officer's or Portfolio Company Director's gross negligence or wilful misconduct. The Applicant and the Portfolio Company Directors will use reasonable commercial efforts to address any dispute regarding the indemnity coverage with the guidance and assistance of the Monitor, and, if required, this Court.

25. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on

the Property, which charge shall not exceed an aggregate amount of $1,000,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

26. THIS COURT ORDERS that the Portfolio Company Directors shall be entitled to the benefit of and are hereby granted a charge (the "**Portfolio Company Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $10,000,000, as security for the indemnity referred to in paragraph 24 of this Order, to the extent one is provided by the Applicant. The Portfolio Company Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

27. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge or the Portfolio Company Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order, and the Portfolio Company Directors shall only be entitled to the benefit of the Portfolio Company Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified by the Applicant, to the extent an indemnity is provided by the Applicant accordance with paragraph 24 of this Order.

APPOINTMENT OF MONITOR

28. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its

powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

29. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) advise the Applicant in its preparation of the Applicant's cash flow statements;

(d) advise the Applicant in respect to the Plan and any amendments to the Plan;

(e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) have full and complete access to the Property including the premises, the premises of the Manager to the extent Property of the Applicant is located on the Manager's premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order and all Persons, including the Applicant and the Manager, shall permit such full and complete access to such Property to the Monitor;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(h) establish one or more accounts to hold any proceeds of the disposition of the Portfolio Companies (the "**Proceeds Accounts**");

(i) administer the Proceeds Accounts for and on behalf of the Applicants and to distribute funds from such Proceeds Accounts from time to time to satisfy expenses that the Applicant is entitled and/or required to pay pursuant to this Order, as directed by the Applicant and in accordance with the Cash Flow Projection and any update cash flow projections; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

30. THIS COURT ORDERS that the Monitor shall not take possession of the Property with the exception of the Proceeds Accounts, and shall take no part whatsoever in the management or supervision of the management of the Business or the businesses of the Portfolio Companies and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

31. THIS COURT ORDERS that McCarthy Tétrault LLP is entitled to transfer the funds held by it in trust as described in the Ross Affidavit at paragraph 88, and any future proceeds that may be received by it from time to time from the disposition of the Portfolio Companies, to the Monitor for deposit into the Proceeds Accounts to be held by the Monitor for and on behalf of the Applicant in accordance with the terms of this Order.

32. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other

contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. THIS COURT ORDERS that that the Monitor shall provide to any creditor of the Applicant information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

34. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order (including, without limitation, with respect to administering the Proceeds Accounts for and on behalf of the Applicants), save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in

addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and CCC (as defined in the Ross Affidavit), retainers in the amount of $50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

36. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

37. THIS COURT ORDERS that the Monitor, counsel to the Monitor, CCC (as defined in the Ross Affidavit), and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the Critical Suppliers' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $500,000);

Second – Directors' Charge (to the maximum amount of $1,000,000);

Third – Critical Suppliers' Charge (to the maximum amount of $50,000); and,

Fourth – Portfolio Company Directors' Charge and Critical Suppliers' Charge to the extent that it exceeds $50,000.

39. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the Critical Suppliers' Charge and the Portfolio Company Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. THIS COURT ORDERS that each of the Charges (as constituted and defined herein) shall constitute a charge on the Property and that the entire Directors' Charge, the entire Administration Charge and the Critical Suppliers' Charge to a maximum amount of $50,000 shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person. To the extent the Critical Suppliers' Charge exceeds $50,000, such additional amount, together with the Portfolio Company Directors' Charge, shall rank *pari passu* with one another behind the Encumbrances.

41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

42. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act* (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e)

any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create nor be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) neither the payments made by the Applicant pursuant to this Order nor the granting of the Charges shall constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

44. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

45. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

46. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at http://cfcanada.fticonsulting.com/gcfl.

GENERAL

47. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

48. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, a Portfolio Company, the Business or the Property.

49. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative

status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

50. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

51. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

52. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

APPENDIX "C"

This is Exhibit "B" referred to in the affidavit of C. Ian Ross sworn before me, this 25th day of October 20 13

A COMMISSIONER FOR TAKING AFFIDAVITS

CRITICAL TRANSITION SERVICES AGREEMENT

This agreement is made as of the 15th day of October, 2013.

BETWEEN

GROWTHWORKS CANADIAN FUND LTD.
(the "Fund")

OF THE FIRST PART

and

GROWTHWORKS WV MANAGEMENT LTD.
(the "Manager")

OF THE SECOND PART

WHEREAS the Fund and the Manager were parties to an amended and restated management agreement dated July 15, 2006 (the "**Management Agreement**") in relation to which the Fund delivered a termination notice on September 30, 2013 (the "**Notice**");

AND WHEREAS the Manager disputes the validity of the Notice;

AND WHEREAS sections 8.4, 8.5 and 8.6 of the Management Agreement (the "**Transition Provisions**") provide, among other things, that the Manager is to (i) 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 its custody, possession or control, and (ii) use reasonable commercial efforts to co-operate with the Fund and any successor manager to facilitate an orderly transition such that the Services (as defined in the Management Agreement) will be provided to the Fund by the successor without delay or compromise of service; and that the Fund will pay to the Manager all reasonable transfer, wind-down and transition costs incurred by or put to the Manager as a result of having to transition operations to a successor manager;

AND WHEREAS the Fund applied for and obtained an order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**") on October 1, 2013 (the "**Initial Order**"), which, among other things, appointed FTI Consulting Canada Inc. as the Court-appointed monitor (the "**Monitor**");

AND WHEREAS the Fund's application to have the Manager declared a critical supplier of transition services (the "**Critical Transition Services**") was adjourned pending discussions among the parties;

AND WHEREAS, without prejudice to the parties' respective rights under the Management Agreement, and/or the parties' claims as they relate to the Notice, the parties hereto have agreed on the scope of the Critical Transition Services to be provided as critical supplies under the Initial Order and the payments to be made by the Fund to the Manager in relation thereto;

NOW THEREFORE in consideration of the promises and the agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties hereto), it is agreed as follows:

1. This agreement and the performance of the parties' obligations under this agreement, are without prejudice to claims that arose prior to the Notice and claims relating to the Notice and the Manager's conduct under the Management Agreement (the "**Pre-Filing Dispute**"). For greater clarity, nothing herein shall prevent the parties from exercising their set-off rights in any action, proceeding, litigation or claim regarding the Pre-Filing Dispute.

2. The Critical Transitional Services to be provided by the Manager to the Fund pursuant to the Management Agreement shall include the following:

   (a) Assistance with the Fund's ongoing audit and valuation for fiscal 2013 as required by KPMG, which includes signing the management representation letter in favour of the auditor and assistance of certain employees of the Manager to complete and provide working papers to KPMG, answer questions, provide follow up information, and otherwise assist KPMG, as required.

   (b) Providing to the Fund copies of any agreements, retainer letters or other paperwork, if any, documenting the relationship with any third party vendors used or retained by the Manager in relation to the services provided by the Manager to the Fund under the Management Agreement as well as the names and contact details for such third party vendors. In addition, with respect to the software provider, Just Systems, providing access to the data in a form that is accessible in their system.

   (c) Attendance by the Manager's employees Tim Lee, Peter Clark, Diane Vaselenak and Pat Brady (collectively, the "**Nominee Directors**") at meetings in relation to the issue of the Fund's representation on boards of Portfolio Companies (as defined in the affidavit of Ian Ross, dated September 30, 2013) during which meetings the Nominee Directors will be expected to provide a verbal outline of the issues and relevant information relating to the Fund's interest in each of the Portfolio Companies.

   (d) Providing information to the Fund based on reasonable requests made by the Fund.

   (e) The Nominee Directors will resign from their respective positions on the boards of the Portfolio Companies by no later than October 31, 2013, unless such date is extended by mutual agreement.

3. The Fund will pay the Manager for the Critical Transition Services on the following basis:

   (a) The Manager will provide estimates of its costs related to the Critical Transition Services to the Fund. The costs will be calculated as the sum of the time expected to be spent by each employee performing Critical Transitional Services at an hourly rate equal to the actual annual salary of the individual employee, plus benefits and other employment costs related to that person, divided by 1840 working hours per year.

(b) The Fund and the Monitor will review the cost estimates provided by the Manager in relation to the Critical Transition Services to determine if they are reasonable. The Fund acknowledges that the estimate provided by the Manager on October 11, 2013 was reviewed by the Monitor and is reasonable.

(c) The Fund will include payment of these costs in a revised cash flow projection, which will be adjusted as necessary to the extent the scope of the Critical Transition Services is modified.

(d) The Manager's employees will keep detailed timesheets with respect to the Critical Transition Services and the Manager will invoice the Fund weekly for the cost of these Critical Transition Services, which invoice will include copies of the detailed timesheets.

(e) The Monitor and Fund will review the invoices to ensure the services invoiced are consistent with the Critical Transition Services agreed upon, that the time spent is reasonable, and that the Critical Transition Services were performed by an appropriate person.

(f) The Fund will pay the Manager within two weeks of receiving an invoice, as set out above, provided the invoice meets the reasonability requirement in step (e). If it does not meet that requirement, the Fund and Manager will use best efforts to address the dispute about the invoice quickly, with the guidance and assistance from the Monitor and, if required, by the Court in the CCAA proceedings of the Fund.

(g) On or before October 29, 2013, the Fund shall obtain an order substantially in the form attached hereto as **Schedule '1'**.

4. This agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5. This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this agreement by any party hereto to each other party hereto by facsimile transmission or e-mail in pdf format, shall be as effective as delivery to the other parties hereto of a manually executed counterpart hereof.

IN WITNESS WHEREOF the parties have executed this Critical Transition Services Agreement as of the date set out at the commencement hereof.

GROWTHWORKS CANADIAN FUND LTD.

Per _____
Name:
Title: INTERIM CEO

Per: _____
Name:
Title:

GROWTHWORKS WV MANAGEMENT LTD.

Per _____
Name:

Title:

Per: _____
Name:

Title:

APPENDIX "D"

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

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 PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

SECOND REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

October 28, 2013

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

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 PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

SECOND REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

1. On October 1, 2013, GrowthWorks Canadian Fund Ltd. (the "**Fund**" or the "**Applicant**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") and an initial order (the "**Initial Order**") was made by the Honourable Justice Newbould of the Ontario Superior Court (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicant until October 31, 2013 and appointing FTI Consulting Canada Inc. as monitor of the Fund (the "**Monitor**" or "**FTI**"). The proceedings commenced by the Fund under the CCAA will be referred to herein as the "**CCAA Proceedings**". A copy of the Initial Order is attached hereto as Appendix A.

2. The Fund is a labour sponsored venture capital fund that currently has a mature and diversified portfolio consisting primarily of investments made in small and medium sized Canadian businesses. The Fund was formed in 1988 with the investment objective of achieving long term appreciation for its Class A shareholders, whom principally comprise retail investors.

3. The Fund experienced liquidity issues because of, *inter alia*, an inability to access short-term financing as well as unfavourable market conditions impacting on its ability to divest, at a profit, its relatively illiquid investments. As a result of these liquidity issues, the Fund was unable to meet its obligations as they became due, including the obligation of the Fund to make a $20 million dollar payment to Roseway, its sole secured creditor, which payment became due on September 30, 2013. With the consent of Roseway, the Fund filed for and obtained protection under the CCAA on October 1, 2013.

4. Prior to September 30, 2013 and the commencement of these CCAA Proceedings, the Fund's day to day operations were delegated to GrowthWorks WV Management Ltd. (the "**Manager**") pursuant to a Management Agreement dated July 15, 2006, as amended ("**Management Agreement**"). In accordance with the terms of the Management Agreement, the Manager was permitted to delegate its duties under the Management Agreement to third parties. The Manager exercised such delegation of the Manager's obligations to Growth Works Capital Ltd ("**GWC**"). On September 30, 2013 the Fund terminated the Management Agreement for the reasons outlined in the September 30 Affidavit (as defined herein).

5. On October 1, 2013 the Applicant sought from the Court the granting of a provision in the Initial Order designating the Manager as well as GWC a critical supplier of the Fund. The proposed critical supplier provisions were not acceptable to all parties and accordingly it was agreed that they would not be included in the Initial Order. A

motion before this Honourable Court to consider the inclusion of such provision was adjourned until October 9, 2013 and again until October 29, 2013.

6. The First Report of the Monitor dated October 8, 2013, attached hereto as Appendix B, sets out, *inter alia*, the Monitor's comments with respect to the causes of the Applicant's insolvency, as well as the reasonableness of the October 1 Forecast.

PURPOSE OF THIS REPORT

7. The purpose of this report is to update and inform the Court on the following:

(a) The activities of the Fund and the Monitor since the date of the First Report;

(b) The Fund's request for the granting of an amended and restated Initial Order (the "**Amended and Restated Initial Order**") providing for, *inter alia*,

(i) the designation of each of the Manager and GWC as a critical supplier of the Fund, and in connection therewith a court-ordered charge in favour of the Manager and GWC for the provision of Critical Transition Services (as defined herein); and

(ii) a court ordered charge in favour of any current and future director of any of the Portfolio Companies that have been nominated by the Fund (the "**Portfolio Company Directors**");

(c) the status of the discussions with the Potential Merger Partner (as defined herein);

(d) the development and implementation of a sales and investment solicitation process ("**SISP**") in respect of the Fund;

(e) the opinion of counsel to the Monitor in respect of the validity, enforceability and perfection of the security held by Roseway over the assets of the Fund;

(f) the receipts and disbursements of the Fund for the period from the commencement of the CCAA Proceedings to the week ending October 25, 2013;

(g) the Fund's cash flow projections for the period from the start of the CCAA Proceedings to January 24, 2014; and

(h) the Applicant's request for an extension of the Stay Period (as defined herein) until January 15, 2014 and the Monitor's recommendation thereon.

TERMS OF REFERENCE

8. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor, where appropriate the Applicants' books and records and discussions with various parties including the Manager, the Fund's management and its advisors.

9. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the affidavit of C. Ian Ross, Chairman of the Applicant, sworn September 30, 2013 and filed in support of the CCAA Proceedings (the "**September 30 Affidavit**"), and the affidavit of C. Ian Ross, sworn October 25, 2013 and filed (the "**October 25 Affidavit**").

11. This report should be read in conjunction with the October 25 Affidavit as certain information contained in the October 25 Affidavit has not been included herein in order to avoid unnecessary duplication.

ACTIVITIES OF THE FUND AND THE MONITOR

12. As set out in the Monitor's First Report, the Monitor made the Initial Order and various other materials related to the CCAA Proceedings available on its website. The Monitor continues to update its website by posting, *inter alia*, the Monitor's reports, motion materials and Orders granted in these CCAA Proceedings

13. Pursuant to paragraph 42 of the Initial Order and section 23(1) of the CCAA, the Monitor on October 10, 2013 and October 17, 2013, published in the Globe and Mail (National Edition) Notice of the CCAA Proceedings in accordance with section 23(1) of the CCAA, and such notices are attached hereto as Appendix C. In addition to

the foregoing, the Monitor has responded to various stakeholder inquiries received from the toll free hotline established by the Monitor to allow stakeholders, including security holders of the Fund, to communicate directly with the Monitor in order to address any questions or concerns in respect of the CCAA Proceedings. To date, the Monitor has received over 400 calls and emails and continues to respond to these inquiries in a timely manner.

14. Since the commencement of the CCAA Proceedings, the Monitor and its counsel have participated in weekly status conference calls with the Fund, its counsel, and CCC. In addition, the Monitor has had regular discussions with Roseway's advisors to keep them informed as to the CCAA Proceedings, the state of affairs of the Fund as well as the status of the Fund's discussions with the Potential Merger Partner and the development and implementation of a SISP.

15. The Monitor has participated in meetings with the Fund, the Manager and CCC to facilitate the transition of information and documentation pertaining to the Fund and the Portfolio Companies from the Manager to the Fund's interim CEO.

16. The Monitor continues to work with the Manager in respect of its initial and ongoing requests for information and documentation as they relate to the Fund and its Portfolio Companies.

17. Counsel to the Fund and Monitor's counsel have facilitated open and ongoing communication with staff of the Investment Funds Branch of the Ontario Securities Commission (OSC). McCarthy Tetrault LLP, on behalf of the Fund, arranged

and attended a meeting with staff of the OSC to update them on the CCAA Proceedings of the Fund and to answer and address any questions and concerns. Subsequent to the meeting, Monitor's counsel corresponded with legal counsel to the Investment Fund Branch of the OSC to facilitate a dialogue between the OSC and the Monitor. At the request of the OSC, the OSC Investigations Branch has been added to the service list and thereby will be provided with any updates regarding any developments with respect to the Fund in the CCAA Proceedings.

CRITICAL SUPPLIER

18. As noted above, on October 1, 2013 and October 9, 2013, the Court adjourned hearings to consider certain provisions in the draft Initial Order designating each of the Manager and GWC as a critical supplier as contemplated by section 11.4 of the CCAA.

19. The Applicant sought to have the Manager designated as a critical supplier in order to ensure that necessary transition services (the "**Critical Transition Services**") would be conducted by the Manager pursuant to the terms of the Management Agreement, subsequent to the termination thereof. The reasons for the Applicant's requested critical supplier relief is outlined in the September 30 Affidavit.

20. The Monitor understands that it is the Manager's position that the termination of the Management Agreement by the Fund was ineffective.

21. As set out in paragraph 36 of the September 30 Affidavit, the Fund takes the position that, pursuant to the Management Agreement, the Manager has continuing obligations to provide transitional services to the Fund after termination.

22. Since the granting of the Initial Order, representatives of the Manager and the Fund, with the involvement of the Monitor, have engaged in discussions with respect to the critical supplier status of the Manager, including the proposed critical supplier charge, the scope of the Critical Transition Services to be provided and the costs of such services.

23. The Fund and the Manager in consultation with the Monitor reached an agreement with respect to these issues and have entered into the Critical Transition Services Agreement dated October 25, 2013 (the "**CTSA**"). The CTSA provides for, *inter alia*, (i) the preservation of the claims of the Manager and the Fund which arose prior to the notice of termination of the Management Agreement delivered by the Fund on September 30, 2013 (the "**Notice**") and which relate to the Notice and the conduct of the Manager under the Management Agreement; (ii) the agreed specific Critical Transition Services which shall be provided by the Manager; and (iii) the hourly cost of providing such services calculated on the basis of time spent by the Manager's staff, which calculation is based on the total actual annual salary of an individual employee, plus benefits and other employment costs. The CTSA and a summary of the terms and provisions thereof are attached to and more fully described in the October 25 Affidavit.

24. The Monitor has reviewed the terms of the CTSA and is of the view that the provision of Critical Transition Services by the Manager as set out in the CTSA will assist in facilitating an orderly transition of the responsibilities and duties of the Manager.

25. The Applicant seeks to designate the Manager, GWC and each person engaged or contracted by the Manager and/or GWC (excluding employees of the Manager or GWC), in connection with providing transitional services to the Fund pursuant to the Management Agreement on or after October 1, 2013, as a critical supplier to the Fund in relation to such transitional services with the benefit of a critical suppliers charge ("**Critical Suppliers Charge**") over the property of the Fund in an amount equal to the lesser of (a) the value of the goods and services supplied by a critical supplier designated as a critical supplier under the Amended and Restated Initial Order less all amounts paid to such critical supplier in respect of such goods and services; and, (b) the amount to which the Manager is entitled to be paid under Critical Transition Services Agreement.

26. The proposed Amended and Restated Initial Order provides that the Critical Suppliers Charge, to a maximum amount of $50,000, ranks in priority to all Encumbrances (as defined in the Amended and Restated Initial Order) and ranks subordinate to all Encumbrances for any amounts owed to a Critical Supplier that exceed $50,000 and remain unpaid. Accordingly, the Critical Supplier Charge will only rank ahead of the security granted by the Applicant to Roseway or to any other secured creditor for up to $50,000.

27. Given the necessity for Critical Transition Services to be provided to the Fund by the Manager for the ongoing operation of the Fund, the Monitor supports the Applicant's request for the proposed designation of each of the Manager and GWC as a critical supplier. As set out in the Revised Cash Flow, it is anticipated that the Manager and GWC will be paid for any Critical Transition Services in accordance with the CTSA.

DIRECTORS' CHARGE FOR FUND-NOMINATED DIRECTORS OF THE PORTFOLIO COMPANIES

28. As more fully outlined in the October 25 Affidavit, where possible the Fund monitors its investment portfolio through, inter alia, the appointment of directors nominated by the Fund to the board of directors of its Portfolio Companies. The current Portfolio Company Directors are employees of the Manager (the "**Manager Portfolio Company Directors**"). It is currently anticipated that the Manager Portfolio Company Directors will resign in the near term and be replaced with Portfolio Company Directors that are not employees of the Manager.

29. The Manager Portfolio Company Directors have attended meetings with representatives of the Fund and the Monitor in order to provide information to the Fund and the Monitor with respect to the Portfolio Companies. In order to ensure an orderly transition of the nominee directors of the Fund, the Manager and the Manager Portfolio Company Directors (pursuant to the terms of the CTSA), will continue to meet with the Fund and the Monitor to provide further information with respect to the Portfolio Companies as needed, and will, if required, attend at board of directors meetings of the Portfolio Companies prior to their resignation.

30. The Applicant is requesting protections in the Amended and Restated Initial Order for the Portfolio Company Directors substantially similar to those protections currently afforded to the officers and directors of the Fund as provided in the Initial Order, including, *inter alia*, (i) a stay of proceedings against the Portfolio Company Directors with respect to any claim that arose before, on or after the date of the Initial Order; (ii) the authority to provide an indemnity, at the sole discretion of the Applicant and in consultation with the Monitor, for any liability that the Portfolio Company Directors may incur by acting in such capacity except to the extent the liability arose as a result of the director's gross negligence or wilful misconduct; and (iii) a charge over the property of the Fund as security for any indemnity (the "**Portfolio Company Directors' Charge**") provided by the Applicant to the Portfolio Company Directors. The Portfolio Company Directors' Charge, which charge shall not exceed an aggregate amount of $10,000,000, ranks subordinate to any Encumbrance and *pari passu* with the Critical Suppliers Charge in excess of $50,000.

31. The Monitor is of the view that it is important to maintain ongoing representation of the Fund on the boards of the Portfolio Companies. The Portfolio Company Directors' Charge will apply only to the extent that (i) an indemnity is provided by the Fund; and (ii) the Portfolio Company Directors are not covered by applicable directors' and officers' insurance. Accordingly, the Monitor supports the Applicant's request for the Portfolio Company Directors' Charge and is of the view that the amount of the charge is reasonable.

SALE PROCESS

32. As more fully described in the September 30 Affidavit and the October 25 Affidavit, the Fund has been in merger discussions with a potential merger partner (the "**Potential Merger Partner**"). The Monitor understands that the Potential Merger Partner is currently undertaking due diligence with respect to the Fund and that it is the goal of the Fund to finalize and execute a merger agreement with the Potential Merger Partner by mid-November. Although the Monitor has not yet had significant involvement or any direct communication with the Potential Merger Partner, the Monitor intends to be actively involved in any negotiations regarding the entering into of a proposed merger agreement between the Fund and the Potential Merger Partner.

33. In addition to the foregoing, the Monitor and its counsel continue to work with the Fund, its counsel and CCC to consider the strategic options available to the Fund and to develop a fair and transparent SISP. Based on preliminary discussions with the Fund and CCC regarding a proposed SISP, the Monitor understands that the SISP will include reasonable timeframes conducive for the Fund and CCC, with the assistance of the Monitor, to properly canvass the market, and to allow sufficient time for other potential interested parties to conduct due diligence and submit offers and proposals in competition with any agreement that may be proposed by the Potential Merger Partner.

34. The Monitor understands that the Applicant anticipates bringing a motion to this Court seeking approval of a proposed merger agreement with the Potential Merger Partner and a SISP in November, at which time the Monitor will report further to this

Court. The Monitor is of the view that the early development and implementation of the SISP should be afforded the highest priority.

REVIEW OF THE ROSEWAY SECURITY

35. The Monitor's counsel, Osler, Hoskin & Harcourt LLP ("**Osler**"), was asked to conduct a review of security held by Roseway. Osler has now rendered an opinion to the Monitor with respect to the validity, enforceability and perfection of the security held by Roseway in the Province of Ontario.

36. The opinion of Osler contains the usual qualifications and assumptions and also provides that the Participation Agreement does not use typical debtor/creditor language to create a debt or loan obligation owing from the Fund to Roseway. However, it is the view of Osler that the Participation Agreement should be characterized as a debt or loan obligation of the Fund for the following reasons: (i) the Participation Agreement evidences a promise by the Fund to repay the amount of $20,000,000 advanced to the Fund by Roseway and to pay Roseway for the use of the advanced amount; (ii) the Fund was obligated to Roseway for the repayment and use of the advanced amount irrespective of whether it obtained sufficient earnings from any divestment proceeds to do so; (iii) the Fund's obligation under the Participation Agreement was recorded as a liability on its financial statements; and (iv) the Fund gave security for its obligations under the Participation Agreement in the security documents granted by the Fund to Roseway which contain events of default. The existence of security and event of default language, including acceleration of all payments due to Roseway upon the occurrence of an event of default, is consistent with a debtor/creditor relationship.

37. Accordingly, (and subject to the assumptions and qualifications contained therein including as described in paragraph 36 above) it is the opinion of Osler that Roseway's personal property security has been validly perfected in the Province of Ontario and is enforceable as against a trustee in bankruptcy of the Fund.

PRE-FILING PAYMENTS

38. On October 16 and October 18, 2013, the Monitor made two payments totalling $184,653 to KPMG, the Fund's auditor, on account of outstanding payments due in respect of the Fund's audit for the year ending August 31, 2013. The payments were made at the direction of the Fund in order to retain KPMG's services with respect to the continuation and completion of audit field work.

39. As authorized by the Initial Order and as reflected in the October 1 Forecast (as defined in the First Report), the Monitor made a payment on account of accrued interest payable under the terms of the Participation Agreement, as amended, less the amount of a previous overpayment made by the Fund in respect of proceeds from a Portfolio Company investment. On Wednesday October 23, 2013, the Monitor made a net payment to Roseway in the amount of $1,476,753.

ACTUAL RECEIPTS AND DISBURSEMENTS OF THE FUND FOR THE PERIOD OCTOBER 1, 2013 TO OCTOBER 25, 2013

40. The Company's actual net cash flow for the period from October 1, 2013 to October 25, 2013 (the "**Current Period**") together with an explanation of key variances as compared to the October 1 Forecast is set out below. Actual net cash flows

for the Current Period were approximately $520 thousand higher than forecast, summarized as follows:

$000	Forecast	Actual	$ Variance
Cash Inflow			
Venture Exits	$ -	$ -	$ -
Total Cash Inflow	$ -	$ -	$ -
Cash Outflow			
Follow on Funding	$ -	$ -	$ -
CEO Fees & Expenses	$ 22	$ -	$ (22)
Insurance Fees	$ 100	$ -	$ (100)
Financial Advisor Fees	$ 130	$ 20	$ (110)
Interest Fees	$ 1,477	$ 1,477	$ -
Other	$ 197	$ 185	$ (12)
Total Cash Outflow	$ 1,926	$ 1,682	$ (244)
Restructuring Costs			
Financial Advisor Fees	$ 470	$ 194	$ (276)
Total Restructuring Fees	$ 470	$ 194	$ (276)
Net Cash Flow	$ (2,396)	$ (1,875)	$ 521
Opening Cash Balance	$ 6,560	$ 6,437	$ (123)
Net Cash Flow	$ (2,396)	$ (1,875)	$ 521
Unrealized FX Gain/Loss	$ -	$ 13	$ 13
Ending Cash Balance	$ 4,164	$ 4,575	$ 411

Note: The cash balance is denominated in USD and has been translated to CAD based on foreign exchange rates from the Bank of Canada. The Unrealized Gain/Loss balance is subject to change and will fluctuate with the USD/CAD exchange rate.

41. The variance in actual receipts and disbursements is comprised primarily of the following:

(a) A positive variance of approximately $100 thousand in insurance costs. This variance is temporary in nature and is expected to reverse the following week when it is paid; and

A positive variance of approximately $400 thousand in professional and other fees. This variance is temporary in nature and is expected to reverse in the coming weeks as invoices are submitted by the professionals and paid by the Fund.

42. In addition to the funds under the Monitor's control, additional funds totaling approximately $1.9 million are held in RBC accounts in the name of the Manager for the benefit of the Fund. The Monitor is working with RBC to assume control of these funds; in the meantime RBC has been notified of the CCAA Proceedings and has frozen the accounts.

43. The Monitor is aware of a dispute between Roseway and the Fund as to Roseway's entitlement to approximately $2 million included in the cash at bank under the control of the Monitor. The Monitor has agreed to hold the disputed funds separately (the "**Segregated Funds**"), on the express understanding that segregation of these funds does not indicate the Fund's, or the Monitor's agreement as to Roseway's claim to the Segregated Funds. The Segregated Funds remain available to the Fund should they be needed. The Monitor's and Monitor's counsel are willing to assist in resolving such dispute if requested to do so.

THE COMPANY'S CASH FLOW FORECAST

44. The Company has prepared a revised cash flow forecast for the period October 26, 2013 to January 24, 2014 (the "**October 26 Forecast**"). A copy of the October 26 Forecast is attached as Appendix D. The October 26 Forecast shows a negative net cash flow of approximately $1 million, and is summarized below:

$000	CAD
Cash Inflow	
Venture Exits	$ 1,238
Total Cash Inflow	**$ 1,238**
Cash Outflow	
Follow on Funding	$ -
CEO Fees & Expenses	$ 77
Insurance Fees	$ 100
Financial Advisor Fees	$ 350
Board Fees	$ 160
Other	$ 273
Total Cash Outflow	**$ 960**
Restructuring Costs	
Professional Fees	$ 1,299
Total Restructuring Fees	**$ 1,299**
Net Cash Flow	**$ (1,021)**
Opening Cash Balance	$ 4,575
Net Cash Flow	$ (1,021)
Ending Cash Balance	**$ 3,554**

45. It is anticipated that the Company's projected liquidity requirements throughout the October 26 Forecast period will continue to be met by existing cash available to the Company.

EXTENSION OF THE STAY

46. The stay period currently expires on October 31, 2013 (the "**Stay Period**"). Continuation of the stay proceedings is required for the Fund to continue its merger discussions with the Potential Merger Partner and to facilitate the development and implementation of the SISP. Accordingly, the Fund seeks an extension of the stay period to January 15, 2014. While it is expected that the Fund will be appearing before the Court on one or more occasions before January 15, 2014, the Fund and the Monitor believe that the proposed extension to the Stay Period will allow an appropriate amount of time for (i) the Fund to negotiate a transaction with the Potential Merger Partner; (ii) a

proper canvassing of the market for alternative competing bids, whether by acquisition or refinancing; (iii) competing bidders to submit expressions of interest and complete necessary due diligence for submission of a binding offer; and (iv) for the Fund, CCC and the Monitor to analyze the value of any bids received against each other and as against any transaction proposed by the Potential Merger Partner if a transaction is ultimately entered into.

47. The Monitor believes that the various stakeholders and creditors of the Fund would not be materially prejudiced by an extension of the Stay Period to January 15, 2014. The Monitor is also of the belief that the Fund has acted, and is acting, in good faith and with due diligence and that circumstances exist that warrant an extension of the Stay Period to January 15, 2014.

The Monitor respectfully submits to the Court this Second Report.

Dated this 28th day of October, 2013.

FTI Consulting Canada Inc.
in its capacity as Monitor of GrowthWorks Canadian Fund Ltd. and not in its personal or corporate capacity

Paul Bishop
Senior Managing Director

Jodi B. Porepa
Managing Director

APPENDIX "E"

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

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 PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

FIFTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

January 8, 2014

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

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 PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

FIFTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

1. On October 1, 2013, GrowthWorks Canadian Fund Ltd. (the "**Fund**" or the "**Applicant**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") and an initial order (the "**Initial Order**", a copy of which is attached hereto as Appendix "A") was made by the Honourable Justice Newbould of the Ontario Superior Court (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicant until October 31, 2013, which stay of proceedings was thereafter extended until January 15, 2014 (the "**Stay of Proceedings**") and appointing FTI Consulting Canada Inc. as monitor of the Fund (the "**Monitor**"). The proceedings commenced by the Fund under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. The Fund is a labour sponsored venture capital fund that currently has a mature and diversified portfolio consisting primarily of investments made in small and medium-sized Canadian businesses. The Fund was formed in 1988 with the investment objective of achieving long term appreciation for its Class A shareholders, whom principally comprise retail investors.

3. The Fund experienced liquidity issues because of, *inter alia*, an inability to access short-term financing as well as unfavourable market conditions impacting its ability to divest, at a profit, its relatively illiquid investments. As a result of these liquidity issues, the Fund was unable to meet its obligations as they became due, including the obligation of the Fund to make a $20 million dollar payment to Roseway Capital S.a.r.l ("**Roseway**"), its sole secured creditor, which payment became due on September 30, 2013. With the consent of Roseway, the Fund filed for and obtained protection under the CCAA on October 1, 2013.

4. Prior to September 30, 2013 and the commencement of these CCAA Proceedings, the Fund's day to day operations were delegated to GrowthWorks WV Management Ltd. (the "**Manager**") pursuant to a Management Agreement dated July 15, 2006 ("**Management Agreement**"). In accordance with the terms of the Management Agreement, the Manager was permitted to delegate its duties under the Management Agreement to third parties. Pursuant to the Management Agreement, the Manager delegated the Manager's obligations to GrowthWorks Capital Ltd ("**GWC**"). On September 30, 2013, the Fund terminated the Management Agreement for the reasons outlined in the Affidavit of Ian Ross, sworn September 30, 2013 and filed.

5. Pursuant to an Order granted by the Court on October 29, 2013, the Initial Order was amended and restated and the Stay of Proceedings was extended until January 15, 2014 (the "**Amended and Restated Initial Order**"). A copy of the October 29, 2013 Order attaching the Amended and Restated Initial Order is attached as Appendix "B".

6. Pursuant to an Order granted by the Court On November 18, 2013, the Court approved a sales and investor solicitation process ("**SISP**") for the purpose of offering the opportunity for potential investors to purchase or invest in the business or property of the Fund.

7. On November 28, 2013, the Court granted an Order authorizing the Fund, with the consent of the Monitor to, *inter alia*, make distributions to Roseway provided that certain priority payables are able to be paid by the Applicant when due.

PURPOSE OF THIS REPORT

8. The purpose of this fifth report of the Monitor is to update and inform the Court on the following:

(a) the status of the SISP;

(b) the status of the litigation proceedings commenced by Allen-Vanguard Corporation ("Allen-Vanguard");

(c) the status of the transitional services being provided to the Fund by the Manager and/or GWC;

(d) the directors and officers insurance ("**D&O Insurance**") coverage recently obtained by the Fund;

(e) the oversight by the Fund of its venture portfolio (the "**Portfolio Companies**");

(f) the Monitor's comments on the Applicant's proposed Order establishing a claims solicitation and adjudication process (the "**Claims Procedure Order**") for claims against the Applicant and the Directors and Officers (as defined therein);

(g) the receipts and disbursements of the Fund for the period October 26, 2013 to January 3, 2014;

(h) the Fund's cash flow projections for the period from January 4, 2014 to March 7, 2014; and

(i) the Monitor's comments on the Applicant's request for an extension of the Stay of Proceedings.

TERMS OF REFERENCE

9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the affidavit of Ian Ross, Chairman of the Fund, sworn January 7, 2013 and filed (the "**January Affidavit**").

10. This report should be read in conjunction with the January Affidavit as certain information contained in the January Affidavit has not been included herein in order to avoid unnecessary duplication.

THE SISP

11. Since early November 2013, the Applicants have taken steps to implement and carry out the sales process set out in Schedule "A" to the SISP Order. As described in the Third Report of the Monitor dated November 26, 2013 (the "**Third Report**"), CCC Investment Banking ("**CCC**"), with the assistance and consultation of the Fund and the Monitor, developed a list of potential purchasers and investors.

12. In addition, pursuant to the terms of the SISP Order, on November 22, 2013, the Monitor published in the Globe and Mail (National Edition) attached hereto as Appendix "C" and the Wall Street Journal attached hereto as Appendix "D", an advertisement of the acquisition or investment opportunity for the Fund's business and assets. As a result of the foregoing, 121

potential purchasers (the **"Potential Purchasers")** and 29 potential investors (the "**Potential Investors**", together with the Potential Purchasers, the "**Potential Parties**") were identified and in contact with CCC. Of the total Potential Parties contacted, 22 Potential Purchasers and 8 Potential Investors executed Confidentiality Agreements, received the Confidential Information Memorandum as well as access to the data room created and maintained by CCC.

13. On December 13, 2013, (the "**Phase 1 Bid Deadline**") CCC received several letters of intent ("**LOIs**") from Potential Parties, including from parties interested in a potential merger with the Fund. On December 16, 2013, the Fund, CCC and the Monitor met to (i) review the LOIs received at the Phase 1 Bid Deadline; (ii) determine whether the SISP should continue into Phase II; and (iii) if it was determined that the SISP should continue into Phase II, evaluate which of parties that submitted LOIs should be invited to continue. All submitted LOIs were evaluated on the basis of whether they met the criteria as set out in paragraph 19 of the SISP. In addition to the foregoing, the Fund, CCC and the Monitor met with Roseway on December 18, 2013, to describe the results of Phase I and to discuss the LOIs that were submitted.

14. The Special Committee in consultation with CCC and with the consent of the Monitor determined that there was a reasonable prospect of obtaining a Qualified Bid (as defined therein) and accordingly, that the SISP should continue into Phase II. The Monitor delivered its consent for the SISP to continue into Phase II to the Special Committee on December 20, 2013.

15. As a result of the foregoing determination, Phase II of the SISP commenced December 20, 2013. In accordance with the terms of the SISP, Quailed Bidders are required to deliver a final binding proposal to CCC by February 3, 2014 (the "**Phase II Bid Deadline**"). At any time during Phase II, the Fund, in consultation with CCC and Roseway and with the consent of the Monitor may extend the Phase II Bid Deadline by 15 days.

THE STATUS OF THE ALLEN-VANGUARD LITIGATION PROCEEDINGS

16. As outlined more fully in the Third Report, on October 28, 2013, counsel to Allen-Vanguard served the Fund, the Monitor and all parties on the service list in the within proceedings, a notice of motion (the "**Allen-Vanguard Motion**") for, *inter alia*, an Order by this Court that the Stay of Proceedings does not apply to the continuation of the proceedings bearing Court File No. 08-CV-43188 and Court File No. 08-CV-43544 (the "**Allen-Vanguard Proceedings**").

17. The Allen-Vanguard Motion is derived from litigation proceedings commenced by Allen-Vanguard against the Fund and other offeree shareholders and which relate to Allen-Vanguard's purchase of shares held by the Fund and other offeree shareholders in Med-Eng Systems Inc. ("**MES**"). Pursuant to the Amended Statement of Claim in the Allen-Vanguard Proceedings, Allen-Vanguard claimed against the Fund and the other offeree shareholders, damages for fraudulent and/or negligent misrepresentation and breach of contract in the amount of $650 million, of which $40 million would be paid out of an escrow agreement entered into on closing of the sale of the MES shares (the "**Escrow Agreement**") plus pre-judgment and post-judgment interest and costs on a substantial indemnity basis (the "**Allen-Vanguard Claim**"). The main issue of concern for the Fund is whether the Fund and the other offeree shareholders are liable for amounts in excess of the $40 million in escrow. The outcome of this dispute could materially impact the quantum and timing of distributions from any proceeds realized in the SISP to stakeholders other than Roseway, including its approximately 90,000 shareholders.

18. Pursuant to the endorsement of Justice Mesbur dated November 12, 2013, the Allen-Vanguard Motion is to be heard on February 11, 2014 and the parties are required to file materials and conduct cross examinations according to the timetable established therein.

19. On November 28, 2013, the Fund served a Notice of Cross Motion returnable February 11, 2013 (the "**Cross Motion**"). The Cross Motion is for an Order directing the trial of certain issues to be heard by way of mini trial in the CCAA Proceedings, including the issue as to whether Allen-Vanguard is entitled to seek damages beyond the $40 million dollar amount held in escrow pursuant to the Escrow Agreement.

TRANSITIONAL SERVICES

20. As outlined in greater detail in the Third Report, pursuant to the Amended and Restated Initial Order, the Manager and GWC were designated as critical suppliers in connection with the provision of transitional services to the Applicant. The scope of the transitional services to be provided by the Manager as well as the methodology for calculating the costs of such transitional services were agreed to in a Critical Services Transition Agreement entered into between the Applicant and the Manager on October 25, 2013 (the "**CTSA**").

21. Since entering into the CTSA, the Fund has identified certain additional transition services which were not outlined in the scope of transitional services to be provided in the CTSA but are needed by the Fund. Accordingly, the Fund and the Manager, with the oversight of the Monitor, have negotiated for the provision of certain additional transition services to be provided by the Manager, namely recording certain shareholder information and administrative requests and processing account changes as they relate to certain RIF transfers from RRSPs. The Manager has begun and continues to provide these transition services to the Fund in addition to other ongoing services in accordance with the CTSA.

22. In addition to the foregoing, pursuant to the CTSA, the Manager is required to provide assistance with the Fund's ongoing audit and valuation for fiscal 2013. The Fund and the

Manager continue to work with the auditors in this regard and it is currently estimated that the 2013 audit will be completed in mid to late January.

D&O INSURANCE

23. The Fund's D&O Insurance policy expired on December 9, 2013. In order to ensure that the directors of the Fund continued to serve throughout the CCAA Proceedings, the Fund began exploring options in order to ensure sufficient coverage for its directors and officers.

24. The board of directors of the Fund determined the renewal terms offered by its existing carrier were not economic and after a thorough canvass of the market, approved coverage with a new carrier at a reduced coverage amount and term. The approximate cost of the continued coverage is $285k and includes coverage for 12 months. The proposed D&O Insurance coverage was discussed with counsel to Roseway prior to the Fund obtaining binding D&O Insurance.

25. The board of directors of the Fund also approved the continued standalone policy of D&O Insurance for the members of the Independent Review Committee (the "**IRC**") of the board of directors of the Fund. The approximate cost of the continued coverage is $15k and extends coverage for a one year period. The proposed IRC insurance coverage was discussed with counsel to Roseway prior to the Fund obtaining binding insurance.

OVERSIGHT OF THE PORTFOLIO COMPANIES

26. The Fund continues to work with senior management and/ or other significant players in respect of certain active Portfolio Companies. The Fund maintains ongoing communication with certain of the Portfolio Companies and continues to attend board meetings

of certain active Portfolio Companies, where necessary. The Fund also continues to keep the Monitor apprised of the activities of the Portfolio Companies .

THE CLAIMS PROCEDURE ORDER

27. Defined terms in this section of the report, not otherwise defined herein, have meanings ascribed to them in the draft Claims Procedure Order. The Fund seeks the approval of the Claims Procedure in the form of the draft Order attached as Tab "3" to the Fund's Motion Record. 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.

Claims Bar Date

28. The Applicant proposes that anyone asserting a Claim or D&O Claim be required to submit their Proof of Claim with the Monitor by no later than 5:00pm EST on March 6, 2014 (the "**Claims Bar Date**").

29. The Applicant proposes that any Director or Officer that seeks to assert a D&O Indemnity Claim in response to a submitted D&O Claim, be required to submit their Proof of Claim to the Monitor within fifteen (15) Business Days following the receipt of D&O Claims. ("**D&O Indemnity Claims Bar Date**").

30. The Monitor is of the view that the Claims Bar Date and the D&O Indemnity Claims Bar Date are reasonable. The Claims Bar Date and the D&O Indemnity Claims Bar Date provide sufficient time for Claimants and the Directors and Officers to evaluate and submit any Claim/D&O Indemnity Claim, as applicable.

Solicitation of Claims Generally

31. There are three types of affected claims that are being solicited and determined by the Monitor pursuant to the Claims Procedure Order:

(a) *Claims*, other than Excluded Claims, which may be asserted against the Fund that (i) are based in whole or in part on facts prior to the Claims Bar Date, (ii) relate to a time period prior to the Claims Bar Date and (iii) are rights or claims of any kind that would be claims provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Claims Bar Date.

(b) *D&O Claims*, which are (i) Claims that may be asserted or made against one or more Directors or Officers that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers, or (ii) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers, in that capacity, (A) is based in whole or in part on facts prior to the Claims Bar Date, or (B) relates to a time period prior to the Claims Bar Date, but not including an Excluded Claim.

(c) *D&O Indemnity Claims*, which are Claims of any Director or Officer against the Applicant, which arose or arises as a result of any Person asserting a D&O Claim for which such Director or Officer is entitled to be indemnified by the Applicant.

Excluded Claims

32. The Claims Procedure Order does not apply to the following Excluded Claims:

(i) any Claim entitled to the benefit of the Administration Charge;

(ii) the Claims of Roseway pursuant to the Participation Agreement dated May 28, 2010, including the disputed portion of such Claims, which shall be determined separately in these CCAA Proceedings; and

(iii) any Post-Filing Claims.

Notice to Claimants

33. The draft Claims Procedure Order provides for the following notification of the Claims Process:

(a) The Monitor shall, no later than two Business Days following the making of the Claims Procedure Order, post a copy of the Proof of Claim Document Package on the Monitor's website;

(b) the Monitor shall no later than seven Business Days following the making of the Claims Procedure Order, cause the Notice to Claimants to be published once in the Globe and Mail newspaper (National Edition);

(c) other than to Allen-Vanguard, the Monitor shall, within seven Business Days following the making of the Claims Procedure Order, send a Proof of Claims Document Package to all known Creditors, including to the Manager and to AGTL Shareholders, in accordance with the Applicant's books and records.

Adjudication

34. The Monitor will review all Proof of Claims in respect of filed Claims, D&O Claims and D&O Indemnity Claims and may (i) attempt to resolve and settle any issue in respect of any such claims; (ii) accept any Claim, D&O Claim or D&O Indemnity Claim; or (iii) by

notice in writing revise or disallow any such Claim, D&O Claim or D&O Indemnity Claim as applicable. .

Claims of Allen-Vanguard

35. To address the Allen-Vanguard Claim, the Claims Procedure Order provides that:

(a) Allen-Vanguard will have been deemed to submit a Proof of Claim on account of the Allen-Vanguard Claim;

(b) the Monitor shall be deemed to have delivered a Notice of Revision and Disallowance disallowing the Allen-Vanguard Claim in its entirety;

(c) Allen-Vanguard shall have been deemed to submit a Dispute Notice disputing such disallowance of the entirety of the claim by the Monitor; and

(d) the procedure for determining the Allen-Vanguard Claim shall not be determined until after the hearing or other determination of the pending motion of Allen-Vanguard and cross-motion of the Applicant, now scheduled for February 11, 2014, unless otherwise agreed by the Applicant, the Monitor and Allen-Vanguard.

Claims of the Manager

36. Prior to September 30, 2013 and the commencement of these CCAA Proceedings, the management of the Fund's venture portfolio and other day-to-day operations were delegated to the Manager. On September 30, 2013, the Fund terminated the Management Agreement. Pursuant to a letter dated November 26, 2013, from the Manager to the Fund, the Manager, *inter alia*, rejected the basis for the Fund's termination of the Management Agreement. Accordingly,

the Manager takes the position that having being terminated without cause, the Manager is entitled to damages in the approximate amount of $18,000,000.

37. To address the Manager's claim, the Claims Procedure Order provides that the Manager shall be deemed to have submitted a Proof of Claim in the amount of $18,000,000 (the "**Manager Claim**"). In addition, the Manager may deliver a Statement of Claim setting out its claim against the Applicant. The Statement of Claim, if any, shall be delivered to the Applicant and the Monitor on or before the Claims Bar Date.

38. The Applicant, in consultation with the Monitor, may revise or disallow the Manager Claim (in whole or in part) and dispute any allegation contained in the Statement of Claim attached to the Manager's Proof of Claim, if any, by delivering to the Manager a Notice of Revision or Disallowance, which shall attach a Statement of Defence and Counterclaim setting out the basis for the revision or disallowance and any counterclaims against the Manager.

39. To the extent the Manager intends to dispute the Notice of Revision or Disallowance, the Manager shall deliver a Notice of Dispute in accordance with the terms of the Claims Procedure Order and shall attach a Reply and Defence to Counterclaim.

40. If the Manager's Dispute is not settled within a time period satisfactory to the Monitor in consultation with the Applicant and the Manager (after delivery of any pleadings) or in a manner satisfactory to the Monitor in consultation with the Applicant and the Manager, then the Applicant, the Manager and the Monitor shall attend before a judge of the Court to set a timetable for all procedural steps necessary for the hearing of the Manager Dispute.

41. The Monitor understands that counsel for the Applicant consulted with counsel for the Manager with respect to the method of addressing the Manager's claim proposed in the

draft Claims Procedure Order (as outlined above) and that the Manager has agreed to the proposed methodology.

Monitor's Role in the Claims Procedure

42. In summary, the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall administer the Claims Process, including, without limitation, by:

(a) publishing notice of the Claims Process once in The Globe and Mail (National) edition;

(b) other than to Allen Vanguard, sending Proof of Claim Document Packages to known Creditors, including to the Manager and the AGTL Shareholders, and to Persons requesting Proof of Claim Document Packages;

(c) reviewing Proofs of Claim and D&O Proofs of Claim, in consultation with Applicants;

(d) sending D&O Proofs of Claim received to the affected Directors and Directors;

(e) sending Notices of Revision or Disallowance;

(f) in accordance with the terms of the Claims Procedure Order, resolving and settling Claims, D&O Claims and D&O Indemnity Claims and/or accepting a Claim, D&O Claim, or D&O Indemnity Claim as applicable;

(g) dealing with the Manager's Claim in accordance with the terms of the Claims Procedure Order; and

(h) seeking further direction of the Court concerning an appropriate process for resolving any remaining disputes with respect to Claims, D&O Claims and D&O Indemnity Claims.

The Monitor's comments

43. The Monitor is of the view that the proposed Claims Procedure Order is appropriate and reasonable in the circumstances. The Claims Procedure Order will enable the Fund to identify and determine the amount and nature of any claims that may be asserted against it in addition to the known claims of the Manager and Allen-Vanguard. This will assist the Fund and Monitor in evaluating any transaction submitted that requires the amount and nature of all claims to be identified at the end of Phase II of the SISP.

44. In addition to the foregoing, in an effort to maintain a cost efficient CCAA process, the proposed Claims Procedure Order does not require the Monitor to send Notices of Revision or Disallowance by a prescribed date. Accordingly, the Monitor will review all Proofs of Claim filed and intends to use its discretion to respond to and, if necessary, adjudicate disputed claims in accordance with the proposed Claims Procedure Order only if the results of the SISP necessitate doing so prior to the closing of any transaction. Therefore, the cost of administering the proposed Claims Procedure and, if necessary, adjudicating disputed claims should be minimal at the outset.

ACTUAL RECEIPTS AND DISBURSEMENTS OF THE FUND FOR THE PERIOD OCTOBER 26, 2013 TO JANUARY 3, 2014

45. The Fund's actual net cash flow for the period from October 26, 2013 to January 3, 2014 (the "**Current Period**") together with an explanation of key variances as compared to

the October 26 Forecast is set out below. Actual net cash flows for the Current Period were approximately $1.25 million higher than forecast, summarized as follows:

$000	Forecast	Actual	$ Variance
Cash Inflow			
Venture Exits and/or Distributions from Portfolio Companies	$ 1,238	$ 744	$ (494)
Cash and Cash Equivalents	$ -	$ 1,896	$ 1,896
Total Cash Inflow	**$ 1,238**	**$ 2,639**	**$ 1,401**
Cash Outflow			
Follow on Funding	$ -	$ -	$ -
CEO Fees & Expenses	$ 66	$ 50	$ (16)
Board Fees	$ -	$ -	$ -
Insurance Fees	$ 100	$ -	$ (100)
Financial Advisor Fees	$ 275	$ 206	$ (69)
Other	$ 223	$ 213	$ (10)
Total Cash Outflow	**$ 664**	**$ 469**	**$ (195)**
Restructuring Costs			
Professional Fees	$ 1,070	$ 1,416	$ 346
Total Restructuring Fees	**$ 1,070**	**$ 1,416**	**$ 346**
Net Cash Flow	**$ (496)**	**$ 754**	**$ 1,250**
Opening Cash Balance	$ 4,575	$ 4,575	$ -
Net Cash Flow	$ (496)	$ 754	$ 1,250
Unrealized FX Gain/Loss	$ -	$ 63	$ 63
Ending Cash Balance	**$ 4,079**	**$ 5,392**	**$ 1,314**

Note: The cash balance is denominated in USD and has been translated to CAD based on foreign exchange rates from the Bank of Canada. The Unrealized Gain/Loss balance is subject to change and will fluctuate with the USD/CAD exchange rate.

46. The variance in actual receipts and disbursements is comprised primarily of the following:

(a) A negative variance of approximately $500,000 in venture exits and/or distributions from Portfolio Companies. The variance is permanent in nature and relates to expected payments that did not materialize but which were partially offset by unforecasted payments that were received from various Portfolio Companies;

(b) A positive variance of approximately $1.9 million in cash and cash equivalents. This variance is permanent in nature and is made up of funds transferred from accounts held at RBC in the name of the Manager for the benefit of the Fund;

(c) A positive variance of approximately $100,000 in D&O Insurance costs. This variance is temporary in nature; and

(d) A negative variance of approximately $350,000 in professional and other fees.

47. As discussed above, the additional funds totaling approximately $1.9 million that were held in RBC accounts in the name of the Manager for the benefit of the Fund have since been transferred to trust accounts set up by the Monitor. The Monitor has placed approximately $965 thousand in a one year cashable GIC at an interest rate of 1.1%. These funds have been placed in a one year GIC (the "**GIC**") in accordance with the direction from the Company and pursuant to a prospectus filed by the Company in respect of its Class A shares, including GIC series shares.

48. The Monitor is aware of a dispute between Roseway and the Fund as to Roseway's entitlement to approximately $2 million included in the cash at bank under the control of the Monitor. The Monitor is holding the disputed funds separately (the "**Segregated Funds**"), on the express understanding that segregation of these funds does not indicate the Fund's, or the Monitor's agreement as to Roseway's claim to the Segregated Funds. The Segregated Funds remain available to the Fund should they be needed. The Monitor and Monitor's counsel are willing to assist in resolving such dispute if requested to do so.

THE COMPANY'S CASH FLOW FORECAST

49. The Company has prepared a revised cash flow forecast for the period January 4, 2014 to March 7, 2014 (the "**January 4 Forecast**"). A copy of the January 4 Forecast is attached as Appendix "E". The January 4 Forecast shows a positive net cash flow of approximately $3.7 million, and is summarized below:

Cash Inflow	
Venture Exits and/or Distributions	6,444
Total Cash Inflow	**6,444**
Cash Outflow	
Follow on Funding	100
CEO Fees & Expenses	66
Insurance Fees	301
Legal & Financial Advisor Fees	544
Board Fees	160
Other	148
Total Cash Outflow	**1,319**
Restructuring Costs	
Legal & Professional Fees	1,458
Total Restructuring Fees	**1,458**
Net Cash Flow	**3,667**
Opening Cash Balance	5,392
Net Cash Flow	3,667
Ending Cash Balance	**9,059**

50. It is anticipated that the Company's projected liquidity requirements throughout the January 4 Forecast period will continue to be met by existing cash available to the Company.

STAY EXTENSION

51. The stay period currently expires on January 15, 2014 (the "**Stay Period**"). Continuation of the Stay of Proceedings is required for the Fund to facilitate the development and implementation of the SISP. Accordingly, the Fund seeks an extension of the Stay Period to March 7, 2014. The Fund and the Monitor believe that the proposed extension to the Stay Period

will allow an appropriate amount of time for (i) the Fund to proceed with Phase II of the SISP and (ii) for the Fund, CCC and the Monitor to analyze the value of any bids received against each other.

52. The Monitor believes that the various stakeholders and creditors of the Fund would not be materially prejudiced by an extension of the stay period to March 7, 2014. The Monitor is also of the belief that the Fund has acted, and is acting, in good faith and with due diligence and that circumstances exist that warrant an extension of the stay to March 7, 2014.

The Monitor respectfully submits to the Court this Fifth Report.

Dated this 8th day of January, 2014.

FTI Consulting Canada Inc.

in its capacity as Monitor of GrowthWorks Canadian Fund Ltd. and not in its personal or corporate capacity

Paul Bishop
Senior Managing Director

Jodi B. Porepa
Managing Director

APPENDIX "F"

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

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 PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

ELEVENTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

October 17, 2014

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

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 PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

ELVENTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

1. On October 1, 2013, GrowthWorks Canadian Fund Ltd. (the "**Fund**" or the "**Applicant**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") and an initial order was made by the Honourable Justice Newbould of the Ontario Superior Court (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicant until October 31, 2013, which stay of proceedings was thereafter extended by the Court until November 30, 2014 (the "**Stay of Proceedings**"); and appointing FTI Consulting Canada Inc. as monitor of the Fund (the "**Monitor**"). The proceedings commenced by the Fund under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. The Fund is a labour sponsored venture capital fund that currently has a mature and diversified portfolio (the "**Portfolio**") consisting primarily of investments made in small and medium-sized Canadian businesses. The Fund was formed in 1988 with the investment objective

of achieving long term appreciation for its Class A shareholders, whom principally comprise retail investors.

3. The Fund experienced liquidity issues because of, *inter alia*, an inability to access short-term financing as well as unfavourable market conditions impacting its ability to divest, at a profit, its relatively illiquid investments. As a result of these liquidity issues, the Fund was unable to meet its obligations as they became due, including the obligation of the Fund to make a $20 million payment to Roseway Capital S.a.r.l ("**Roseway**"), its sole secured creditor, which payment became due on September 30, 2013. With the consent of Roseway, the Fund filed for and obtained protection under the CCAA on October 1, 2013.

4. Prior to September 30, 2013 and the commencement of these CCAA Proceedings, the Fund's day to day operations were delegated to GrowthWorks WV Management Ltd. (the "**Former Manager**") pursuant to a Management Agreement dated July 15, 2006 ("**Management Agreement**"). In accordance with the terms of the Management Agreement, the Former Manager was permitted to delegate its duties under the Management Agreement to third parties. Pursuant to the Management Agreement, the Former Manager delegated the Former Manager's obligations to GrowthWorks Capital Ltd. On September 30, 2013, the Fund terminated the Management Agreement for the reasons outlined in the Affidavit of Ian Ross, sworn September 30, 2013 and filed.

5. Pursuant to an Order granted by the Court on October 29, 2013, the Initial Order was amended and restated (the "**Amended and Restated Initial Order**"). A copy of the October 29, 2013 Order attaching the Amended and Restated Initial Order is attached hereto as Appendix "A".

6. Pursuant to an Order granted by the Court on November 18, 2013, the Court approved a sales and investor solicitation process for the purpose of offering the opportunity for potential investors to purchase or invest in the business or property of the Fund.

7. On November 28, 2013, the Court granted an Order authorizing the Fund, with the consent of the Monitor to, *inter alia*, make distributions to Roseway provided that certain priority payables are able to be paid by the Applicant when due.

8. On January 9, 2014, the Court approved an Order establishing a claims procedure to identify, determine and resolve claims of creditors of the Fund.

9. Pursuant to an Order dated February 28, 2014, the Court extended the time for the Fund to call its annual general meeting of shareholders until and including October 31, 2014.

10. Pursuant to Orders granted by the Court on May 14, 2014: (i) the Stay of Proceedings was extended until and including November 30, 2014; (ii) an Investment Advisor Agreement between the Fund and Roseway (the "**Investment Advisor Agreement**") was approved by the Court pursuant to which the Fund retained Roseway in order to provide investment management and other administrative services to the Fund in relation to its Portfolio; and (iii) the Court approved an enhancement of the powers of the Monitor in order to allow the Monitor to conduct its duties and obligations contemplated under the Investment Advisor Agreement.

PURPOSE OF THIS REPORT

11. The purpose of this eleventh report of the Monitor is to update and inform the Court on the following:

(a) the status of the Fund's Portfolio and realizations of the Portfolio to date;

(b) the status of the litigation proceedings commenced by Allen-Vanguard Corporation ("**Allen-Vanguard**") against, *inter alia*, the Fund;

(c) the status of the transitional services provided by the Former Manager to the Fund;

(d) the Monitor's comments on the Fund's request for an extension of the time for the Fund to call its annual meeting of shareholders;

(e) the receipts and disbursements of the Fund for the period from May 9, 2014 to October 10, 2014;

(f) the Fund's cash flow projections for the period from October 13, 2014 to May 31, 2015; and

(g) the Monitor's comments on the Fund's request for an extension of the Stay of Proceedings.

TERMS OF REFERENCE

12. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor, where appropriate the Applicant's books and records and discussions with various parties, including advisors to Roseway and the Fund's management and advisors.

13. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

15. Capitalized terms not defined herein shall have the meaning ascribed to them in the affidavit of Ian Ross, Chairman of the Fund, sworn October 15, 2014 and filed (the "**October 15th Affidavit**").

16. This report should be read in conjunction with the October 15th Affidavit as certain information contained in the October 15th Affidavit has not been included herein in order to avoid unnecessary duplication.

THE STATUS OF THE PORTFOLIO

17. In accordance with the terms of the Investment Advisor Agreement, in June 2014 Roseway engaged Ms. Donna Parr of Crimson Capital to manage the Fund's Portfolio of investments.

18. Ms. Parr has extensive experience in venture and private equity investing. Since being engaged to manage the Portfolio Ms. Parr has, amongst other things, established regular contact with the Fund's principal investments, including assuming board positions where appropriate, reviewing the Portfolio, assessing the timing and quantum of potential recoveries and facilitating the collection of escrow and other amounts due to the Fund.

19. Since the commencement of the Investment Advisor Agreement, funds totalling approximately CDN$1.97 million and US$1.4 million have been realized. Distributions to Roseway totalling CDN$1 million and US$1.375 million were made on October 16, 2014. The balance of the funds are currently being held in blocked accounts in the name of the Monitor for the benefit of Roseway and the Fund that were established pursuant to the terms of the

Investment Advisor Agreement and a further agreement between the Fund, the Monitor and Roseway. Funds from the Blocked Accounts are only disbursed by the Monitor on receipt of written instructions provided by Roseway nominees.

20. It is estimated that recovery from investments during the proposed stay extension period will total approximately $16 million, however the exact quantum and timing of such receipts is not known. These funds, net of any holdback for expenses of the Fund that are permitted in accordance with the Investment Advisor Agreement, will be distributed to Roseway.

21. The Monitor notes that the Fund's single largest investment- its shares in Ambit Biosciences Corporation ("**Ambit**"), will likely be disposed of in the near future and would result in a significant realization for the Fund. Ambit is a publicly traded company engaged in the development of cancer treating drugs. On September 29, 2014 Ambit announced that it had entered into an agreement with Daiichi Sankyo ("**Daiichi**") whereby Daiichi would acquire all of the outstanding shares of Ambit, subject to obtaining US regulatory approvals. If such approvals are obtained the transaction is expected to close prior to the end of 2014.

THE STATUS OF THE ALLEN-VANGUARD LITIGATION PROCEEDINGS

General Background

22. Counsel to Allen-Vanguard served the Fund, the Monitor and all parties on the service list in the within proceedings, a notice of motion (the "**Allen-Vanguard Motion**") for, *inter alia*, an Order by this Court that the Stay of Proceedings does not apply to the continuation of the proceedings bearing Court File No. 08-CV-43188 and Court File No. 08-CV-43544.

23. The Allen-Vanguard Motion was derived from the litigation proceedings (the "**Allen Vanguard Litigation**") commenced by Allen-Vanguard against the Fund and other

offeree shareholders (the "**Offeree Shareholders**") and relates to Allen-Vanguard's purchase of shares previously held by the Fund and the Offeree Shareholders in Med-Eng Systems Inc.

24. On November 28, 2013, the Fund served a Notice of Cross Motion returnable February 11, 2013 (the "**Cross Motion**"). The Allen-Vanguard Motion and the Cross Motion were heard on February 11, 2014.

Litigation Timetable and Compliance

25. The Honourable Justice Brown rendered his decision with respect to the Allen-Vanguard Motion and Cross Motion and held, *inter alia*, that the Stay of Proceedings was lifted solely with respect to the Allen-Vanguard Litigation (the "**April 10th Reasons**"). In rendering his decision, Justice Brown imposed strict terms and conditions on the lifting of the Stay of Proceedings, including the following:

(a) The Ottawa Proceedings were to continue under the case management of Master MacLeod;

(b) Allen-Vanguard must set down for trial its claim against the Fund by no later than July 1, 2014;

(c) The offeree shareholders, including the Fund, must set down for trial their action by no later than October 1, 2014;

(d) Additional examinations for discovery proposed by the offeree shareholders, including the Fund, must be completed "over the next few months" and were limited to 5 days;

(e) The Fund shall not participate in a motion for summary judgment against Allen-Vanguard; and

(f) The parties shall consult with Master MacLeod in an effort to secure a trial date for the Ottawa Proceedings to commence no later than the second quarter of 2015, the date to be peremptory on all parties.

26. On May 14, 2014, the Fund brought a motion to extend the Stay of Proceedings, which was set to expire at that time on May 16, 2014. The extension of the Stay of Proceedings was granted until November 30, 2014.

27. At this time, the Fund seeks Court approval for an extension of the Stay of Proceedings until May 31, 2015. In the April 10th Reasons, Justice Brown directed that the following factors be considered in: (i) granting a continued extension of the Stay of Proceedings of the Fund; and (ii) granting a continued partial lifting of the Stay of Proceedings as it relates to the claim of Allen-Vanguard:

(a) the compliance by the Fund, as a party in the Ottawa Proceedings, in meeting the Litigation Milestones for the purpose of ascertaining whether the Fund has acted in good faith and with due diligence as required by CCAA s. 11.02(3)(b); and

(b) the compliance by Allen-Vanguard in meeting the Litigation Milestones for the purpose of ascertaining whether the partial lifting of the stay should continue or whether the stay should be reimposed with the addition of the other offeree shareholders, including the Fund, as named beneficiaries of the stay.

28. The Monitor has consulted with counsel to both Allen-Vanguard and the Fund with respect to the status of the Allen-Vanguard Litigation and whether, in their respective

views, the parties were still on track to meet the Litigation Milestones. Based on these discussions, the Monitor understands that both the Fund and Allen-Vanguard have been working cooperatively and that the parties are meeting the required Litigation Milestones. A trial date of March 30, 2015 has been set for 9 to 11 weeks. The Monitor also understands that there will be no further examinations for discovery following the return of this motion.

29. Accordingly and further to the April 10th Reasons, it is the view of the Monitor that: (i) for the purposes of ascertaining whether the Fund has acted in good faith and due diligence, each of which is required in order to meet the test for an extension of the Stay of Proceedings, the Fund is in compliance with the Litigation Milestones; and (ii) for the purposes of ascertaining whether the partial lifting of the Stay of Proceedings as against Allen-Vanguard should continue, Allen-Vanguard is in compliance with the Litigation Milestones.

30. The Monitor will endeavour to keep apprised as to the status of the Allen Vanguard Litigation and to update the Court, prior to the expiry of the proposed Stay Period in May 2015, if there are any material issues that may prevent the parties from meeting the conditions and timelines imposed by his Honour in the April 10th Reasons.

TRANSITIONAL SERVICES

31. Pursuant to the Amended and Restated Initial Order, the Former Manager was designated as a critical supplier in connection with the provision of certain transitional services to the Fund pursuant to the Management Agreement.

32. The scope of the transitional services to be provided by the Former Manager as well as the methodology for calculating the costs of such transitional services were agreed to in a Critical Services Transition Agreement entered into between the Applicant and the Former Manager on October 15, 2013 (the "**CTSA**").

33. Pursuant to the CTSA, the Former Manager was required to provide and has provided transitional services to the Fund.

34. After entering into the CTSA, the Fund identified certain additional transition services which were not outlined in the scope of transitional services to be provided in the CTSA but were needed by the Fund. The Fund and the Former Manager, with the oversight of the Monitor, negotiated for the Former Manager to record certain shareholder information and administrative requests and to process account changes as they relate to certain RIF transfers from RRSPs for the 2013 calendar year.

35. For the 2014 calendar year, the Fund did not request that the Former Manager process RIF transfers or other shareholder information changes such as changes to the shareholder's investment advisor, address or beneficiary, Accordingly, the Monitor has received numerous calls, emails and faxes from shareholders of the Fund to process such transfers, as well as requests as to the status of their accounts. The number of such requests will likely increase at year end when RIF transfers must be registered. The Monitor has indicated to the Fund that it is not cost effective for the Monitor to deal with the RIF transfers, to process other shareholder requests or to update the shareholder database accordingly.

36. The Fund has indicated to the Monitor that it is investigating the engagement of third party service providers to process RIF transfers for 2014 and to deal with other shareholder requests, however the Fund has further advised that its ability to properly engage such third party service providers is constrained as a result of the absence of all of the books and records of the Fund in a database system that is in the possession of the Former Manager. The Fund, and any third party service providers which may be engaged to process RIF transfers and provide other back office services for the benefit of shareholders of the Fund, will require, in a usable format,

the shareholder database currently in the possession of the Former Manager. The Fund, with the assistance of the Monitor, continues to diligently seek from the Former Manager, the Fund's records and documentation in a useable format relating to the Fund's business and affairs that are in the possession and control of the Former Manager and which the Fund has requested on several occasions.

37. There is a dispute between the Fund and the Former Manager with respect to: (i) certain of the amounts claimed by the Former Manager as being owed by the Fund for services delivered under the CTSA; and (ii) reimbursement sought by the Former Manager from the Fund of certain amounts which the Former Manager claims were incurred by the Fund, and, the Former Manager claims, in respect of which the Fund benefited.

38. The total amount claimed by the Former Manager in respect of the foregoing post-filing CCAA matters is approximately $458,000. The Monitor understands that the Fund disputes all such claims by the Former Manager.

39. The Monitor notes that the Fund and the Former Manager have been in discussions to resolve this issue for several months now. The Monitor will report further to the Court on this matter should litigation between the parties proceed.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

40. The Fund is seeking an order allowing it to postpone its annual general meeting of shareholders ("**AGM**") to a date that is 90 days after the conclusion of the CCAA proceedings.

41. The Monitor understands that the Fund is required to hold its AGM no later than fifteen months after the last AGM, but no later than 6 months after the end of the Fund's financial year. The last AGM was held on February 19, 2013.

42. Pursuant to an Order of the Court dated February 28, 2014, the date upon which the Fund was required to hold its AGM was extended to October 31, 2014.

43. The Monitor is of the view that at this time the Fund is not in a position to hold the AGM. There is no new business to put before the shareholders of the Fund and the costs necessary to hold the AGM would not be appropriate at this time to expend in light of the fact that the Fund's sole secured creditor has not yet been repaid in full and there are also outstanding claims of unsecured creditors. Further, the Monitor is of the view that the shareholders of the Fund have access to information with respect to the Fund and these CCAA proceedings through the Monitor's website established for the Fund as well as the various press releases that have been issued by the Fund in respect of material developments, and which press releases will continue to be issued by the Fund in respect of new material developments.

ACTUAL RECEIPTS AND DISBURSEMENTS OF THE FUND FOR THE PERIOD FROM MAY 16, 2014 TO OCTOBER 10, 2014

44. The Fund's actual net cash flow for the period from May 16, 2014 to October 10, 2014 (the "**Current Period**") together with an explanation of key variances as compared to the forecast attached to the Monitor's Tenth report dated May 12, 2014 (the "**May 12th Forecast**") is set out below. Actual net cash outflows for the Current Period were approximately $509,000 lower than forecast, summarized as follows:

Growthworks Canadian Fund Statement of receipts & disbursements at October 10, 2014

	Forecast	Actual	Variance (positive)/negative
Cash Inflow	$'000	$'000	$'000
Venture Exits	0	25	(25)
Total Cash Inflow			
Cash Outflow			
Follow on Funding	150	0	(150)
CEO Fees & Expenses	22	37	15
Payroll & Benefits	57	0	(57)
Legal Counsel & Financial Advisor fees	336	506	170
Rent, communication and utilites	6	0	(6)
Board Fees	181	181	(0)
Audit fees	230	95	(135)
Monitor & Monitor's Counsel's fees	281	157	(124)
Total Cash Outflow	1263	951	(312)
IAA fees and expenses	197	0	(197)
Net Cash Out Flow	1460	951	509
Opening Cash Balance	1844	1844	(0)
Net Cash Flow	(1460)	(951)	(509)
Ending Cash Balance	**384**	**893**	**(509)**

45. The variance in actual receipts and disbursements is comprised primarily of the following:

(a) lower than anticipated follow on funding resulting in a favourable variance of $150,000. This variance is due to timing and should be reserved in the near future;

(b) payroll and benefits resulting in a favourable variance of $57,000. When the May 12th forecast was prepared it was anticipated that an independent contractor would be hired to provide accounting and other back office services. The Fund

subsequently engaged an accounting firm, Hillborn LLP to perform these services. To date Hillborn LLP has not submitted any invoices, accordingly this variance is expected to reverse over time;

(c) legal and financial advisor fees of the Fund resulting in a negative variance of $170,000. The Fund has incurred higher than anticipated costs in dealing with, *inter alia*, pre and post filing claims and disputes;

(d) Audit fees of the Fund resulting in a positive variance of $135,000. The Fund has determined that an audit for the 2014 fiscal year is not necessary at this time. This variance may reverse in future;

(e) Fees of the Monitor and the Monitor's counsel resulting in a favourable variance of $124,000, this variance is largely permanent in nature; and

(f) Investment Advisor fees and expenses, this variance is due largely to timing and is expected to reverse.

THE FUND'S CASH FLOW FORECAST

46. The Fund has prepared a revised cash flow forecast for the period October 13, 2014 to May 31, 2015 (the "**October Forecast**"). A copy of the October Forecast is attached as Appendix "B". The October Forecast shows a negative net cash flow of approximately $469,000 with a projected closing cash balance on hand of $347,000, all of which is summarized below:

Growthworks Canadian Fund Ltd.
Cash Flow Forecast
CAD $000

	Total
Funding from investment exits	1,350
Cash Outflow	
Follow on investments	150
Back office services and third party service providers	215
D&O Insurance premiums	225
Legal & Fees	350
Board Fees	128
CEO Fees & Expenses	-
Other expenses and contingency	120
Cash Out Flows	**1,188**
Restructuring Costs	
Monitor and Monitor's Counsel Fees	340
Total Restructuring Fees	**340**
IAA Fees & Expenses	368
IAA Additional Fee	-
Total Outflows	**1,896**
Opening Cash	893
Cash inflow	1,350
Cash Outflows	(1,896)
Closing Cash	**347**

47. It is anticipated that the Fund's projected liquidity requirements throughout the October Forecast period will continue to be met by existing cash available to the Fund and proceeds of anticipated investment exits.

DISTRIBUTIONS TO ROSEWAY

48. On November 28, 2013, the Court granted an Order authorizing the Fund, with the consent of the Monitor to, *inter alia*, make distributions to Roseway provided that certain priority payables are able to be paid by the Applicant when due (the "**Distribution Order**").

49. Pursuant to the Distribution Order and since the date of the filing of the Tenth Report, the Fund, with the consent of the Monitor, has distributed to Roseway, CDN$1 million and US$1.375 million, both distributions were made on October 16, 2014.

STAY EXTENSION

50. The stay period currently expires on November 30, 2014 (the "**Stay Period**") and the Fund is seeking an extension of the Stay of Proceedings to and including May 31, 2015.

51. The Monitor is supportive of the stay extension of the Fund in order for the Fund to preserve and maximize, through the continued management of the Portfolio by Roseway, the value of the Fund's assets in order to repay the indebtedness owing to Roseway and, from and after such time as Roseway is paid in full, for the benefit of the Fund's stakeholders.

52. The Monitor is of the belief that stakeholders and creditors of the Fund would not be materially prejudiced by the long term extension of the Stay Period. The Monitor is also of the belief that the Fund has acted, and is acting, in good faith and with due diligence and that circumstances exist that warrant an extension of the stay to May 31, 2015.

The Monitor respectfully submits to the Court this Eleventh Report.
Dated this 17th day of October, 2014.

FTI Consulting Canada Inc.

in its capacity as Monitor of GrowthWorks Canadian Fund Ltd. and not in its personal or corporate capacity

Paul Bishop
Senior Managing Director

APPENDIX "G

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

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 PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

TWELFTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

December 16, 2014

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

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 PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

TWELFTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

1. On October 1, 2013, GrowthWorks Canadian Fund Ltd. (the "**Fund**" or the "**Applicant**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") and an initial order (the "**Initial Order**", a copy of which is attached hereto as Appendix "A") was made by the Honourable Justice Newbould of the Ontario Superior Court (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicant until October 31, 2013, which stay of proceedings was thereafter extended until May 31, 2015 (the "**Stay of Proceedings**") and appointing FTI Consulting Canada Inc. as monitor of the Fund (the "**Monitor**"). The proceedings commenced by the Fund under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. The Fund is a labour sponsored venture capital fund that currently has a mature and diversified portfolio consisting primarily of investments made in small and medium-sized Canadian businesses. The Fund was formed in 1988 with the investment objective of achieving long term appreciation for its Class A shareholders, whom principally comprise retail investors.

3. The Fund experienced liquidity issues because of, *inter alia*, an inability to access short-term financing as well as unfavourable market conditions impacting its ability to divest, at a profit, its relatively illiquid investments. As a result of these liquidity issues, the Fund was unable to meet its obligations as they became due, including the obligation of the Fund to make a $20 million dollar payment to Roseway Capital S.a.r.l ("**Roseway**"), its sole secured creditor, which payment became due on September 30, 2013. With the consent of Roseway, the Fund filed for and obtained protection under the CCAA on October 1, 2013.

4. Prior to September 30, 2013 and the commencement of these CCAA Proceedings, the Fund's day to day operations were delegated to GrowthWorks WV Management Ltd. (the "**Manager**") pursuant to a Management Agreement dated July 15, 2006 ("**Management Agreement**"). In accordance with the terms of the Management Agreement, the Manager was permitted to delegate its duties under the Management Agreement to third parties. Pursuant to the Management Agreement, the Manager delegated the Manager's obligations to GrowthWorks Capital Ltd. On September 30, 2013, the Fund terminated the Management Agreement for the reasons outlined in the Affidavit of Ian Ross, sworn September 30, 2013 and filed.

5. Pursuant to an Order granted by the Court on October 29, 2013, the Initial Order was amended and restated (the "**Amended and Restated Initial Order**"). A copy of the October 29, 2013 Order attaching the Amended and Restated Initial Order is attached hereto as Appendix "B".

6. On October 21, 2014, the Court granted an Order extending the Stay of Proceedings from March 15, 2014 to and including May 31, 2015.

PURPOSE OF THIS REPORT

7. The purpose of this twelfth report of the Monitor is to update and inform the Court on the following:

(a) the proposed settlement of the litigation proceedings between Allen-Vanguard Corporation ("**Allen-Vanguard**"), the Fund, and the other offeree shareholders of Med-Eng Systems Inc. ("Med Eng") and the Monitor's recommendation thereon;

(b) the proposed approval of the sale of all of the issued and outstanding Class B Preferred shares held by the Fund in Advanced Glazing Technologies Limited (the "**Advanced Glazing Shares**") to Armin Schabel (the "**Purchaser**") and the Monitor's comments and recommendation thereon;

(c) the status of shareholder database and shareholder tax reporting services, the transitional services being provided by the Former Manager to the Fund and the current dispute between the parties; and

(d) an update on the distribution of funds to Roseway.

TERMS OF REFERENCE

8. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor, where appropriate the Applicants' books and records and discussions with various parties including advisors to Roseway and the Fund's management and advisors.

9. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

11. Capitalized terms not defined herein shall have the meaning ascribed to in the affidavit of Donna Parr, investment advisor of the Fund, sworn December 15, 2014 and filed, the affidavit of Paul Echenberg, Chief Executive Officer of SACI Associates Canada Inc. sworn December 15, 2014 and filed and the affidavit of Richard Black a partner of Walsingham Partners sworn December 16, 2014 and filed (collectively, the "**December Affidavits**").

12. This report should be read in conjunction with the December Affidavits as certain information contained in the December Affidavits have not been included herein in order to avoid unnecessary duplication.

THE ALLEN-VANGUARD LITIGATION SETTLEMENT

General Background

13. On October 28, 2013, counsel to Allen-Vanguard served the Fund, the Monitor and all parties on the service list in the within proceedings, with a notice of motion (the "**Allen-Vanguard Motion**") for, *inter alia*, an Order by this Court that the Stay of Proceedings does not apply to the continuation of the proceedings bearing Court File No. 08-CV-43188 and Court File No. 08-CV-43544 (the "**Actions**").

14. The Allen-Vanguard Motion was derived from the litigation proceedings (the "**Allen-Vanguard Litigation**") commenced by Allen-Vanguard against three of the largest shareholders of Med Eng, including the Fund (the "**Offeree Shareholders**"). The Allen-Vanguard Litigation relates to Allen-Vanguard's purchase of shares previously held by the Offeree Shareholders in Med Eng for a purchase price of approximately $650 million pursuant to a Share Purchase Agreement dated as of August 3, 2007 (the "**Share Purchase Agreement**"). At

the time of the purchase by Allen-Vanguard of the Med Eng shares, the Offeree Shareholders held 78.7% of the Med Eng shares.

15. On the closing of the share purchase transaction between Allen-Vanguard and the Offeree Shareholders in 2007, $40 million of the purchase price was placed in escrow (the "**Escrow**") pursuant to an escrow agreement between Allen-Vanguard and the Offeree Shareholders dated September 17, 2007 (the "**Escrow Agreement**"). The Escrow was established in order to indemnify Allen-Vanguard for any proven claims resulting from breaches of representations and warranties committed by Med Eng.

16. According to paragraph 16 of the affidavit of Donna Parr, pursuant to a shareholders agreement binding on all of the shareholders of Med Eng (the "**Shareholder Agreement**"), the Offeree Shareholders had the power to cause all of the remaining former shareholders of Med Eng (representing approximately 200 shareholders holding collectively 21.3% of Med Eng shares (the "**Minority Shareholders**")) to sell their Med Eng shares to Allen-Vanguard.

17. Under the Actions, Allen-Vanguard claimed against the Fund and the Offeree Shareholders, damages for fraudulent and/or negligent misrepresentation by former management of Med Eng and breach of contract in the amount of $650 million, of which $40 million would be paid out of the Escrow.

18. On November 28, 2013, the Fund served a Notice of Cross Motion returnable February 11, 2013 (the **"Cross Motion"**). The Cross Motion was for an Order directing the trial of certain issues to be heard by way of "mini trial" in the CCAA Proceedings. The Honourable Justice Brown rendered his decision with respect to the Allen-Vanguard Motion and Cross Motion and held, *inter alia*, that the Stay of Proceedings was lifted solely with respect to the

Allen-Vanguard Litigation. In rendering his decision, Justice Brown imposed strict terms and conditions on the lifting of the Stay of Proceedings, including that the parties shall secure a trial date no later than the second quarter of 2015. A trial date of March 30, 2015 was set down by the parties for 9 to 11 weeks.

The Proposed Settlement

19. The Monitor understands that over the past few months Allen-Vanguard and the Offeree Shareholders, including the Fund, engaged in settlement negotiations which have culminated in a settlement between the parties of the AVC Litigation (the "**AVC Settlement**"), the terms of which are attached to the Affidavit of Donna Parr filed in support of this motion.

20. The AVC Settlement and the proposed settlement order contemplates:

(a) a payment to Allen-Vanguard from the Escrow in the amount of $28 million, comprising principal and accumulated interest thereon to November 10, 2014;

(b) the balance of the Escrow, in the approximate amount of $16 million, together with accumulated interest, (the "**Remaining Escrow Funds**") will remain in escrow with Computershare Trust Company of Canada, the escrow agent under the Escrow Agreement, to be distributed to all of the former shareholders of Med Eng in accordance with a further Order to be granted by the Court in these proceedings at a later date;

(c) the Offeree Shareholder and Allen-Vanguard shall execute full and final mutual releases;

(d) Allen-Vanguard shall be released from any claims of the Minority Shareholders arising from the Share Purchase Agreement or the Escrow Agreement and such claims shall attach to the Remaining Escrow Funds to the maximum amount of such Minority Shareholders' entitlement to the Escrow;

(e) the Offeree Shareholders or any of them may propose a distribution of the Remaining Escrow Funds and shall notify the Minority Shareholders of such proposal; and

(f) the Actions shall be dismissed without costs and each of Allen-Vanguard and the Offeree Shareholders shall each bear their own legal fees and disbursements in the Actions.

The Monitor's Comments and Recommendation

21. The Monitor supports the proposed AVC Settlement and is of the view, with respect only to the Fund and its stakeholders, that the AVC Settlement is reasonable in the circumstances.

22. The resolution of the AVC Litigation completely deals with the contingent claim filed by Allen-Vanguard against the Fund in these CCAA Proceedings, and such resolution allows the Fund to be in a position to conduct its claim process and make potential distributions to unsecured creditors and shareholders of the Fund, if and when funds became available after payment to Roseway, the Fund's sole secured creditor.

23. The Monitor notes that if the Allen-Vanguard Litigation was successful, the Fund would not receive any portion of the Escrow and the claim of Allen-Vanguard against the Fund in the CCAA proceedings would represent a substantial portion of the pool of unsecured debt,

thereby minimizing recovery to other unsecured creditors and likely eliminating any possibility for distributions to shareholders. Even if Allen-Vanguard was not entirely successful, the pro-rata portion of the legal expenses incurred by the Fund in proceeding to trial may exceed any proceeds that may be available to the Fund from the Escrow, thereby resulting in no financial benefit to the Fund.

24. Pursuant to the AVC Settlement terms, if payment is not received by Allen-Vanguard by December 29, 2014, Allen-Vanguard may in its sole discretion treat the AVC Settlement as null and void. Should this occur, the trial of the Actions could proceed as scheduled and the Offeree Shareholders, including the Fund, may be exposed to significant additional costs

25. As noted above, after payment to Allen-Vanguard, the Remaining Escrow Funds will continue to be held in Escrow pending a further Order of this Court. The Monitor understands that at this motion, the Offeree Shareholders, including the Fund, will assert that the costs they have incurred in pursuing the release of the Escrow Funds in the AVC Litigation, in these proceedings and their efforts to settle the AVC Litigation should be refunded in full from the Remaining Escrow Funds and that the balance be distributed pro rata among all of the former Med Eng shareholders.

26. Notwithstanding that the Offeree Shareholders will take the foregoing position on the allocation of the Remaining Escrow Funds, the current proposed Order will preserve the claims of the Minority Shareholders to the maximum amount of their original entitlement to the Escrow funds until a further Order by the Court with respect to the distribution of the Remaining Escrow Funds is made. Without taking into account the costs of the Allen-Vanguard Litigation, under the Escrow, the Minority Shareholders are entitled to 21.3% of the current Escrow Funds,

including interest, which is approximately $9.3 million. After distribution to Allen-Vanguard, there will be in excess of 9.3 million in Remaining Escrow Funds.

27. The Minority Shareholders were advised of this motion by way of a notice sent by the Fund by courier on Monday December 15, 2014, such notice is attached as Tab E of the affidavit of Donna Parr. The Monitor understands that the Fund will notify the Minority Shareholders of the subsequent motion by the Fund to this Court to distribute the Remaining Escrow Funds.

SALE OF SHARES OF ADVANCED GLAZING

28. The Fund is seeking the approval by the Court of the sale of the Advanced Glazing Shares to the Purchaser pursuant to a Share Purchase Agreement. The Fund holds 42% of the issued and outstanding preferred shares of Advanced Glazing Technologies Ltd ("**Advanced Glazing**"). An investment fund, Englefield House No. 4 Inc. ("**Englefield**") owns the remaining 58% of the preferred shares of Advanced Glazing.

29. The Fund holds the Advanced Glazing Shares in its investment portfolio. Advanced Glazing develops and sells a translucent glass material called Solera that reduces the need for indoor lighting and provides twice the insulation value over normal transparent glass. The head office of Advanced Glazing is located in Sydney N.S.

30. The Monitor understands that there is protracted litigation which is still pending in Nova Scotia (the "**Milburn Litigation**") and that Englefield has spent approximately $300,000 in litigation expenses to date and that the Fund has expended similar litigation expenses.

31. As a result of, *inter alia*, the Milburn Litigation, Englefield and the Fund have been seeking to sell their preferred shares in Advanced Glazing for a number of years with Englefield taking a lead in the sales process for the shares held by it and the Fund.

32. Englefield and the Fund have received various offers to purchase the Advanced Glazing Shares, which offers have not been able to be completed or have not been acceptable to either Englefield or the Fund.

33. The Monitor believes that among other things, the Fund, through the efforts of Englefield, pursued offers submitted for the sale of the shares of Advanced Glazing. While no investment banker was retained to market the Advanced Glazing shares, the Monitor understands that the outstanding Milburn Litigation in any event makes it difficult for the Fund to sell the Advanced Glazing Shares.

34. The Monitor is of the view that the purchase price in respect of the sale of the Advanced Glazing Shares is fair and reasonable taking into account the issues noted above, including the Milburn Litigation. A further benefit of the sale of the Advanced Glazing Shares to the Purchaser is the dismissal of the claim against the Fund filed by Douglas Milburn in these CCAA proceedings, which claim is in excess of $25,000,000. The dismissal of this claim will facilitate the potential for greater recovery to other creditors of the Fund. Accordingly, the Monitor supports the sale transaction under the terms of the Share Purchase Agreement.

35. The Monitor notes that in its view the sale or disposition of the Advanced Glazing Shares pursuant to the Share Purchase Agreement would be more beneficial to creditors of the Fund than a sale or disposition under a bankruptcy. In addition, Roseway, the sole secured creditor of the Fund supports the proposed sale.

TRANSITIONAL SERVICES

36. Pursuant to the Amended and Restated Initial Order, the Former Manager was designated as a critical supplier in connection with the provision of certain transitional services to the Fund pursuant to the Management Agreement. The scope of the transitional services to be provided by the Former Manager as well as the methodology for calculating the costs of such transitional services were agreed to in a Critical Services Transition Agreement entered into between the Applicant and the Former Manager on October 15, 2013 (the "**CTSA**").

37. Pursuant to the CTSA, the Former Manager was required to provide and has provided transitional services to the Fund.

38. After entering into the CTSA, the Fund identified certain additional transition services which were not outlined in the scope of transitional services to be provided in the CTSA but were needed by the Fund. The Fund and the Former Manager, with the oversight of the Monitor, negotiated for the Former Manager to record certain shareholder information and administrative requests and to process account changes as they relate to certain RRIF transfers from RRSPs for the 2013 calendar year.

39. For the 2014 calendar year, the Fund did not request that the Former Manager process RRIF transfers or other shareholder information changes such as changes to the shareholder's investment advisor, address or beneficiary. This resulted in the Monitor receiving numerous calls, emails and faxes from shareholders of the Fund requesting such transfers, as well as requests as to the status of their accounts.

40. As reported in the Eleventh Report of the Monitor, in early November 2014, the Monitor indicated to the Fund that it is not cost effective for the Monitor to deal with the RRIF transfers, to process other shareholder requests or to update the shareholder database.

41. The Monitor is aware that the Fund has expended considerable effort to negotiate the engagement of third party service providers to process RRIF transfers for 2014, to issue related T4 slips, to maintain the shareholder and update the shareholder database. The Fund has recently advised the Monitor that it has reached an agreement in principle with a service provider that will allow for the timely processing of shareholder data and tax slips as noted above. The Fund has advised the Monitor that it expects the agreement in principle to be completed an executed shortly and that accordingly any 2014 RRIF transfers will be executed prior to the end of the year. The Monitor will provide more the Court with more details of the service arrangement in subsequent reports and will ensure that information including website addresses of the service provider will be communicated to shareholders through the Monitor's hotline and website.

42. The Monitor notes that there continues to be a dispute between the Fund and the Former Manager with respect to: (i) certain of the amounts claimed by the Former Manager as being owed by the Fund for services delivered under the CTSA; and (ii) reimbursement sought by the Former Manager from the Fund of certain amounts which the Former Manager claims were incurred by the Fund, and, the Former Manager claims, in respect of which the Fund benefited.

43. The total amount claimed by the Former Manager in respect of the foregoing post-filing CCAA matters is approximately $458,000. The Monitor understands that the Fund disputes all such claims by the Former Manager.

44. On November 27, 2014, the Court granted an Order approving a protocol to be complied with by the Fund and the Former Manager (the "Protocol"). The Protocol sets out the

process for the Fund to obtain any books and records that may be in the possession of the Former Manager and not already delivered by the Former Manager to the Fund.

DISTRIBUTIONS TO ROSEWAY

45. On November 28, 2013, the Court granted an Order authorizing the Fund, with the consent of the Monitor to, *inter alia*, make distributions to Roseway provided that certain priority payables are able to be paid by the Applicant when due (the "**Distribution Order**").

46. Pursuant to the Distribution Order and since the date of the filing of the Eleventh Report, the Fund, with the consent of the Monitor, has made three distributions to Roseway. The total amount of distributions to date made by the Fund to Roseway is detailed below:

(US $)	(US $)	Exchange Rate *	Total Repayment (CAD $)
30-Oct-14	4,370,000.00	1.1193	4,938,286.68
5-Nov-14	3,419,742.99	1.1377	3,938,365.84
14-Nov-14	7,592,207.43	1.1294	8,622,025.31
Total	15,381,950.42		17,498,677.83

* Bank of Canada noon exchange rate on the payment date.

47. Following these distributions and as of the date hereof, the Fund is indebted to Roseway in the amount of $960,870, subject to any adjustments in relation to the Old Money Warrants claim of Roseway.

APPENDIX "H"

RICOH Print Services

From:	Jody Dubick
Sent:	November-27-13 2:39 PM
To:	Ian Ross (ianross@bell.net); Porepa, Jodi
Cc:	Rob Bird (rbird@cccinvestmentbanking.com)
Subject:	Just Systems Costing Proposal
Attachments:	Just Systems Costing Proposal November 27 2013.pdf

Mr. Ross,
Please find attached a costing proposal for shareholder management for approval by GrowthWorks Canadian Fund and the Monitor, whose purpose is to reimburse GrowthWorks WV Management for maintaining the Just Systems database during the Transition Period.

Please notify me immediately upon approval.

If you have any questions don't hesitate to contact me.

Jody Dubick

Jody Dubick
Analyst

GrowthWorks Capital Ltd.
Phone : 604 895-7278
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Wednesday, November 27, 2013

Via EMAIL

Ian Ross
Chair
GrowthWorks Canadian Fund, Ltd.

Paul Bishop
Monitor
FTI Consulting

RE: Just Systems Proposal to GrowthWorks Canadian Fund Ltd -Transition Period

A. Background

- Although the Transition Services Agreement is silent with respect to reimbursing GrowthWorks WV Management ("GW WV") for maintaining shareholder database (the "Database") during the Transition Period, both the Monitor and GWCF on or around October 15 requested that GWWV continue to maintain it.
- Specifically, GWCF has asked GW WV to maintain and update the Database until GWCF identifies a new shareholder database vendor and transfers the existing database from GW WV. It is anticipated that the transition to a new database will occur in or about December 2013:
- The following proposal outlines GW WV's approximate costs (both timekeeper and third party) for managing the Database for the period requested (Oct 1 – Nov 15) (the "Initial Period").
- The Fund and the Monitor have also requested that GW WV continue to manage the Database post November 15, 2013 (the "Secondary Period"). If GW WV is to manage the Database in the Secondary Period, the Fund and the Monitor will agree to honour the terms of the proposal (both timekeeper and disbursement) for the Initial Period. We have noted some exceptions for the Secondary Period below.
- The proposal <u>does not</u> include third party mailing, courier, or printing costs for GWCF shareholders. GW WV will keep track of these hard disbursements, which the Monitor and the Fund will agree to reimburse promptly upon receipt of an invoice for same.
- The following proposal does not include RIF Conversions, which the cost proposal will be provided at a later date.
- The RIF Conversions proposal and Secondary Period invoices for shareholder management will include overtime over the holiday period in late December.

- The total amount to be reimbursed for the Primary Period is $48,122.37 including HST, which will be itemized below. This amount will be reimbursed within 2 business days of acceptance of this proposal.

A. Just Systems Disbursements.

- GW WV's shareholder management software supplier is Just Systems.
- GW WV pays Just Systems $39,300 per quarter and a separate bill of $11.3k annually.
- GW WV will portion the bill to GWCF based on AUM and time.
- For clarification, GW WV will pay for 68.5% of Just Systems ongoing maintenance cost because of funds affiliates of GW WV manage.
- The cost allocation to GWCF for the Primary Period was **$6,578.95.**
- The breakdown is below. The Monitor and the Fund will agree to remit **$6,578.95** to GW WV within 2 business days of the acceptance of this proposal.

Supplier	Description of services	Cost Before HST	HST	**Total including HST
Just Systems	Unitholder system software provider	$ 6,191.81	$309.59	$ 6,501.40
Just Systems	Unitholder system software provider	$ 69.24	$ 8.31	$ 77.54
Total		$ 6,261.05	$ 317.90	$ 6,578.95
Allocation of costs at ratio of AUM of CDN to total of AUM of CDN, Comm, AVF, and WOF				
GW CDN	$ 89,662,934	31.5%		
Commercialization	$ 22,055,977	7.8%		
Atlantic Venture	$ 27,874,973	9.8%		
WOF	$ 144,955,568	50.9%		
	$ 284,549,452	100.0%		

B. Shareholder Management Team

- GW WV employs a client services staff of 7 employees and 1 information technology employee (Lilia Lam) to manage the Just Systems database.
- A list of the 7 Client Services employees, and an effective hourly rate based on 1840 hours per year, is set out below.
- The Monitor and GWCF agree that the employees listed below, including the information technology employee, are essential to the management of the Just Systems database.

Name	Salary	Benefits	Hourly Rate
Casey Kachmar	$ 51,729.30	$ 15,995.67	$ 36.81
Felicita Quion	$ 63,787.74	$ 16,921.04	$ 43.86
Perry Agis	$ 45,121.00	$ 15,327.96	$ 32.85
Farhat Khan	$ 67,105.89	$ 13,940.54	$ 44.05
Kim Myshrall	$ 45,000.44	$ 13,713.92	$ 31.91
Simon Wong	$ 53,798.88	$ 16,153.87	$ 38.02
Lisa Der	$ 51,729.30	$ 11,547.87	$ 34.39
		Average	$ 37.41

- The Client Services team executes transfers, other financial transactions, non-financial changes, answers inquiries from shareholders and financial advisors.
- During the Transition Period on behalf of GWCF, the Client Services team has fielded numerous phone calls, executed non-financial changes to the database, and accumulated financial transactions to be executed when pricing resumes.
- The Client Services team has not made outbound phone calls, except in response to requests from shareholders and the brokerage community
- The level of inbound phone calls has not diminished since Oct 1, 2013.
- There has been many complaints regarding the Monitor's phone line not returning messages and providing limited information
- The Monitor and GWCF will remit payment to GW WV for the Primary Period. The timekeeper amount incurred during the Primary Period for employee time based on phone calls and transaction requests is $32,663.37 before HST. The Monitor and GWCF will also remit $4,100.72 before HST to GW WV for Lilia Lam's timekeeper invoice for during the Primary Period. As previously relayed to you, Ms. Lam is essential to the maintenance of the Database. Details with respect to Ms. Lam are noted below.

Client Service Team Activity Stats

	Inquiries				Financial and Non-Financial Transactions Received				Combined CDN Trans and Inquiries	Incoming Mail
	Cdn	Other Funds	Total	% Cdn	Cdn	Other Funds	Total	% Cdn		
Sep 30 - Oct 4	258	246	504	51%	270	117	387	70%	59%	On average, CS handles about 140 packages a week. Of that about 70 are for CS and approximately 90% of that is for the Canadian Fund.
Oct 7 - 11	308	198	506	61%	234	126	360	65%	63%	
Oct 15 - 18 (4-day wk)	218	121	339	64%	165	70	235	70%	67%	
Oct 21 - 25	348	224	567	60%	241	114	355	68%	63%	
Oct 28 - Nov 1	352	216	568	62%	208	113	321	65%	63%	
Nov 4 - 8	362	178	540	67%	225	99	324	69%	68%	
Nov 11 - 15	272	143	415	66%	162	85	247	66%	66%	

Call Centre Team	Transaction Team
Casey	Casey
Perry	Perry
Farhat	Felicita
Kim	Lisa

Lisa	Simon
Simon	

- Charge rates are calculated based on team memberships
- Simon, Lisa, Casey, Perry timekeeper charge is based on the combined fax and inquiry % times their respective salaries.
- Farhat and Kim time is charged based on inquiry rate.
- Felicita charges are based on the transaction rate.
- A detailed attendance tracker is posted below

Weekly CS Team Charges

Employee	Oct 1 - Oct 4	Oct 7 - 11	Oct 15 - 18	Oct 21 - 25	Oct 28 - Nov 1	Nov 4 - 8	Nov 11 - 15	Total
Casey Kachmar	$ 610.7	$ 806.3	$ 515.7	$ 859.6	$ 811.5	$ 876.2	$ 675.6	$ 5,154.7
Felicita Quion	$ 856.9	$ 997.9	$ 867.3	$ 1,042.2	$ 798.3	$ 1,059.3	$ -	$ 5,616.9
Perry Agis	$ 545.1	$ 719.6	$ 613.8	$ 728.3	$ 724.3	$ 675.0	$ 301.5	$ 4,257.7
Farhat Khan	$ 631.3	$ 563.0	$ 793.1	$ 932.6	$ 955.8	$ 1,032.9	$ 901.2	$ 5,810.0
Kim Myshrall	$ 457.4	$ 611.8	$ 502.7	$ 675.6	$ 415.5	$ 748.3	$ 589.7	$ 4,001.0
Simon Wong	$ 473.1	$ 666.2	$ 710.3	$ 842.8	$ 670.6	$ 904.0	$ -	$ 4,267.0
Lisa Der	$ -	$ -	$ 642.5	$ 609.9	$ 606.6	$ 817.8	$ 879.3	$ 3,556.0
Total	$ 3,574.5	$ 4,364.9	$ 4,640.5	$ 5,691.1	$ 4,982.5	$ 6,062.5	$ 3,947.4	$ 32,663.37

Employee	Days Not Worked
Casey Kachmar	Oct 15, Nov 11
Felicita Quion*	Oct 28,
Perry Agis	Nov 6, 11, 12, 13
Farhat Khan**	Oct 6, 11
Kim Myshrall	Oct 10 (1/2), Oct 15 (1/2), Oct 31, Nov 1, 11
Simon Wong	Oct 4, 7, 31, Nov 11, 12, 13, 14, 15
Lisa Der**	Oct 1, 2, 3, 4, 7, 8, 9, 10, 11, 25, Nov 1

*Ms. Quion's last day with GW WV was Nov 8
**Ms. Der worked all day Nov 11 earning 4 extra hours of OT
**Ms. Khan worked 3 hours on Nov 11

Lilia Lam

- As noted above, GW WV has 1 information technology employee, Lilia Lam. She maintains the Database. Her role is essential in the proper maintenance of the shareholder management system. She ensures that transactional processes and reporting functions run daily.
- Ms. Lam's direct GWCF work is to be reimbursed 100% during both the Primary Period and the Secondary Period plus a portion of her annual salary allocated by GWCF AUM over total AUM. For the period of this proposal, that amount is $4,100.72 before HST.
- For the Primary Period, her direct GWCF work was limited except for the week of Oct 7-Oct 11.
- Ms. Lam's effective hourly rate is (based on 1840 hours per year):

Name	Salary	Benefits	Hourly Rate
Lilla Lam	$ 78,540.00	$16,609.61	$ 51.71

- Ms. Lam will be essential for the transfer of the database from GW WV to GWCF. Accordingly, 100% of her time will be billed to GWCF when the transfer is executed by Just Systems and Ms. Lam.

Employee	Oct1-Oct4	Oct7-11	Oct15-18	Oct21-25	Oct28-Nov1	Nov4-8	Nov11-15	Total
Lilia Lam	$ -	$ 586.07	$ 51.71	$ 64.64	$ 30.17	$ 47.40	$ 12.93	$ 792.91
Lilia Lam (allocated)	$ 456.25	$ 570.31	$ 456.25	$ 570.31	$ 456.25	$ 570.31	$ 228.12	$ 3,307.81
Total	$ 456.25	$ 1,156.38	$ 507.96	$ 634.95	$ 486.41	$ 617.71	$ 241.05	$ 4,100.72

- In the chart above, Ms Lam's direct GWCF billing during the Transition Period is $793 while GWCF's allocated portion of her salary is $3,780 to cover her ongoing maintenance of the entire database.
- Ms. Lam was not in the office on Nov 1, Nov 11, Nov 12 and Nov 14. This amount has been accounted for in our calculations.

Proposal Summary

Cost Item	Expense	HST	Total
CS Time	$ 32,663.37	$ 4,246.24	$ 36,909.61
Lilla Lam	$ 4,100.72	$ 533.09	$ 4,633.81
Just Systems*	$ 6,261.05	$ 317.90	$ 6,578.95
Total	$ 43,025.14	$ 5,097.23	$ 48,122.37

*JustSys HST has been applied at 5% for the $39.3k quarterly bill and 12% for the annual bill

APPENDIX "I"

SRG
Solmon Rothbart Goodman LLP
Barristers

Melvyn L. Solmon, B.A.Sc., LL.M. (Harv)**
Randall M. Rothbart, B.A.(Hon.), LL.B.
Mark L. Goodman, B.A., LL.B.
Avrum D. Slodovnick, LL.B.
Nancy J. Tourgis, B.Sc.H., LL.B.
James P. McReynolds, B.Comm., LL.B.
Raffaele Sparano, B.A.(Hon.), LL.B.
Matthew Valitutti, B.A., LL.B.
Cameron J. Wetmore, B.A.C.S., LL.B.
Rajiv Joshi, B.A.(Hon.), LL.B.

Member of the New York Bar **

January 13, 2017

SENT BY EMAIL TO: ghall@mmcarthy.ca

Mr. Geoff Hall
McCarthy, Tétrault LLP
TD Bank Tower
66 Wellington Street West, Suite 5300
Toronto, Ontario M5K 1E6

VIA EMAIL: brett.harrison@mcmillan.ca

Mr. Brett Harrison
McMillan LLP
BrookfieldPlace
181 Bay Street, Suite4400
Toronto, Ontario M5J 2T3

Dear Mr. Hall and Mr. Harrison:

Re: Growthworks WV Management Ltd. vs. GrowthWorks Canadian Fund Ltd.
Court File No.: CV-13-10279-00CL
Our File No.: 17529

Enclosed please find the Questions pursuant to the Order of Mr. Justice Newbould of December 12, 2016, served upon you.

In light of the position of the Fund, if the Monitor has any of the documentation requested in the attached Questions, please provide that documentation. These questions may be supplemented depending on the content of the Monitors' report, not yet delivered.

Please advise when you expect the answers will be provided. Thank you.

Yours very truly,

SOLMON ROTHBART GOODMAN LLP

Melvyn L. Solmon
MLS/la

Encl.

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

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.

B E T W E E N:

GROWTHWORKS WV MANAGEMENT LTD.

Plaintiff

and

GROWTHWORKS CANADIAN FUND LTD.

Defendant

QUESTIONS

PURSUANT TO THE ORDER OF MR. JUSTICE NEWBOULD OF DECEMBER 12, 2016

Barry Gekiere

First Affidavit

1. With regard to your initial opinion, under the heading "opinion summary", second paragraph, you refer to FY 2009 and FY 2010 in two separate sections of that paragraph. When you refer to FY 2009 what date are you referring to? In referring to FY 2010 what date are you referring to? If you are referring to a range of dates, please give the start date and the end date of that range.

2. In the third paragraph on that page (page 10 of the Motion Record ("MR") under "opinion summary" you state "prior to FY 2009". What date are you referring to as being prior to? Is it the year end date? If so, what date is that referring to? If it is the calendar date you are referring to "please advise"? When you refer to FY 2009, what date or timeframe are you referring to?

3. With regard to the next paragraph you refer to FY 2009 and FY 2010. With regard to FY 2009, what date or dates are you referring to? Are you referring to a full year and, if so, what is that start date and what is the end date? With regard to FY 2010, what date or dates are you referring to? If you are referring to a full year what is the start date and what is the end date of that full year?

4. In the fifth paragraph under opinion summary there is a reference to "in FY 2010". What date are you referring to? If you are referring to a range, please advise the range that is the commencement date and the end date of that range.

5. With regard to the sixth paragraph (page 11 MR), you refer to "in FY 2012". What date or dates are you referring to? And if it is a date range, please provide the commencement date and the end date of that range. You also refer to "in FY 2010". What date or dates are you referring to?

6. On page 7 of your report (page 16 MR), in the second full paragraph, there is a reference to the phrase "in the fall of 2008 (FY 2009)". What date does FY 2009 refer to? If it is a range, what is the commencement date and what is the end date? What date are you referring to when you refer to the fall of 2008? If not any specific date, please provide the commencement date and the end date of that range.

7. In the fourth paragraph (page 16 MR) you refer to the time "well in advance of the FY 2009". What date does the reference to FY 2009 refer to?

8. When you refer to "well in advance of the FY 2009 date" please advise the date or the range of dates that you are referring to as being "well in advance".

9. In the second last paragraph (page 16 MR) there is the phrase "starting in FY 2009" that is used twice, in two separate paragraphs. What date are you referring to as the start date referring to FY 2009?

10. On page 8 of your report (page 17 MR), there are two references in the third paragraph to "in FY 2009". What date is being referred to? If it is a date range, what is the start date for each of those references to FY 2009?

11. Also there is a reference in that paragraph to "in FY 2001". Please advise what the start date is for the reference to FY 2001. If it has a date range please provide the start date and the end date for each range. If that date is incorrect, please provide the correct information related to the correct date.

12. With regard to page 8, the fourth paragraph, there is a reference to "in FY 2009" twice. What is the date in FY 2009 that you are referring to in each of those references? If it is a date range please provided the two dates for each reference.

13. At page 9 (page 18 MR) in the third paragraph there is a reference to "much earlier than FY 2009". What is the start date of FY 2009 that you are referring to? When you refer to "much earlier than FY 2009" please provide the date that you are referring to or if it is a range provide a commencement date and the end date of that "much earlier" timeframe.

14. At page 9 (page 18 MR) in the last paragraph, there is a reference to "prior to FY 2009". What date are you referring to as FY 2009? What is the date prior to FY 2009 that is being referred to?

15. At page 10 (page 19 MR) first paragraph there is a reference to "end of FY 2008 and end of FY 2009". What date is the end date of FY 2008 that you are referring to? What date is the end date of FY 2009 that you are referring to? The reference to FY 2009 occurs twice in that paragraph. Does is refer to the same date in both references?

16. The reference to "new share sales in FY 2009". What is the commencement date that you are referring to in FY 2009? What is the end date?

17. In the next paragraph on page 10 (page 19 MR) there is a reference to "going into FY 2010". What is the start date of FY 2010? What time period is being referred to by "going into FY 2010"? Please provide the commencement date and the end date.

18. There is a reference in the second and fourth paragraph to "in FY 2009". What date is being referred to as the commencement date for each of those references to FY 2009? When you refer to in FY 2009 what date or what range are you referring to? If you are referring to a range please provide the commencement date and the end date.

19. In the fifth paragraph on page 10 (page 20 MR), there is a reference to "in FY 2010". What is the commencement date of FY 2010 that you are referring to? What is the date range that you are referring to when you refer to FY 2010? Please provide the commencement date and the end date for FY 2010 that you are referring to.

20. At page 11 (page 20 MR) in the sixth paragraph, you refer to "in FY 2010". What date range are you referring to with regard to FY 2010? That is, what is the commencement date and the end date?

21. You refer to "patient capital" in that paragraph of your report. Please advise what "patient capital" you are referring to? That is, please advise if you are referring to any company or institution in particular or any individual in particular. If you are referring to any company or institution or individual in particular, please name them, which (or who) you say would have provided "patient capital" during the timeframe referred to in your report.

22. At page 12 (page 21 MR) in the third paragraph there is a reference to "in FY 2010". What is the time frame you are referring to? That is, what is the date it commences and what is the end date?

23. In the fifth paragraph on that page there is a reference to "well before FY 2009". What is commencement date in FY 2009 that you are referring to? What date are you referring to that is "well before FY 2009"? If it is a date range please provide the commencement date and the end date of that range.

24. In the sixth paragraph on that page there is a reference to "in FY 2009, in FY 2010 and for FY 2010". With regard to each of those references please advise of the date that you are referring to and if it is a range of dates please provide the range of dates that are referred to with regard to each of those references. You also refer to the spring of 2010. What date or date range are you referring to by that phrase?

25. On page 13 (page 22 MR) paragraph 4, you state "to my knowledge none of the major LSVCC funds borrowed against their fund's assets and instead chose to cease redemptions when they threatened the ability to make follow-on investments and affect fund performance". Which major LSVCC funds are you referring to? Please provide the names. Please advise of the date that each of them ceased redemptions. Please advise as to what procedure they used to cease redemptions. Did they apply to a Securities Commission in order to obtain the ability to cease redemptions? Was there another procedure used by each of these LSVCC's and, if so, please advise what procedure was used by each fund and when it occurred. What was the financial situation of each of the LSVCC's at the time that they chose to cease redemptions? Please provide all back-up documentation that you rely upon with regard to this statement in your report.

26. At page 13 (page 22 MR) sixth paragraph, there is a reference to "in FY 2009" on two occasions and a reference to "in FY 2010". Please advise of the commencement date for each of those references. If it is a date range please provide the commencement date and the end date for each of those references.

27. In the seventh paragraph (page 22 MR) there is a reference to "in FY 2009". What dates are being referred to as the commencement date and the end date for the FY 2009 reference?

28. In the first paragraph under "summary conclusion" (page 23 MR) there is a reference to "well in advance of FY 2009 and FY 2010". Again, please advise what is the date range that is being referred to. When does FY 2009 commence and when does it end? When does FY 2010 commence and when does it end with regard to that paragraph? What date or date range are you referring to that was "well in advance".

29. With regard to fourth paragraph (page 23 MR) there is a reference to "in FY 2009 and FY 2010". What is the date range that you are referring to? That is, when does the reference to FY 2009 commence and when does it end? With regard to FY 2010 when does that date reference commence and when does it end? At page 1 to 2 of your report (page 10-11 MR) you refer to "The terms and conditions of the Roseway transactions were inappropriate, especially of the requirements for the Fund at that time". What Roseway transactions are you referring to? Which terms and conditions are you referring to? In what way were the terms and conditions of the Roseway transactions inappropriate? Please provide particulars of each item and condition that you are of the opinion was inappropriate and why it was inappropriate. If there is any documentation that you rely upon, for this opinion, please provide it.

30. With regard to the third indented paragraph (page 16 MR), please advise what LSVCC fund model you are referring to and provide particulars of what should be in that model or provide a sample model. Please describe how a merger with a relatively more liquid fund would impact on the model. Please describe how a merger with a relatively less liquid fund would impact on the merger.

31. With regard to page 21 (MR), paragraph 5 there is a reference to "well before FY 2009". What date in FY 2009 are you referring to? When you say well before that date, what date are you referring to or what range of dates are you referring to? Please provide the commencement date and the end date of the "well before" time period. This date or range, is the date that you state, in your opinion, the Manager should have been aware of potential liquidity problems, [just to ensure the topic of this question is clear].

Second Affidavit

32. With regard to your second report on the first page, subitem 1, 3 and 4 refer to FY 2010 and FY 2009. Please advise of the commencement date of FY 2009 and the end date for each reference. Please advise of the commencement date of FY 2010 and the end date you are referring to.

33. With regard to page 4, the paragraph starting with "it remains my opinion...". There is a reference in the second last sentence to "To my knowledge, no other LSVCC fund used debt as source of capital. They chose instead to cease redemptions". Which LSVCC funds are you referring to in that paragraph? Please provide their full names.

34. Referring to page 6 under the heading Point 3, the second paragraph, you state "That being said, to my knowledge, no other LSVCC fund manager facing liquidity issues chose to recommend the use of debt to maintain redemptions. Which LSVCC fund Managers are you referring to? Please provide their names. Which LSVCC funds are you referring to? Please provide their full names.

35. With regard to the reference to Vengrowth, when did it take action and what action did it take?

36. Referring to Covington what action did it take and when did it take that action? Is there more than one Covington? If so, give the names of all of the Covington funds. Which Covington fund is being referred to by you in your report?

37. At page 1 of your appendix in paragraph 2 there is a reference to "starting in FY 2009". Please advise what is the start date of FY 2009 that you are referring to? With regard to paragraph 3 of Mr. Ross' second affidavit, there is a reference to "a substantial number of inaccurate,

incomplete or misleading statements". Please confirm all the particulars of the inaccurate statements are referred to in this second affidavit. Please confirm that all of the particulars of the incomplete statements are referred to in this affidavit. Please confirm that the particulars of all the misleading statements are referred to in this affidavit. If all the particulars are not referred to in your affidavit, please advise which statements in the affidavit of Mr. Levi were inaccurate that are not referred to and particularized in your second affidavit.

Ian Ross (Affidavit of November 28, 2016)

38. Please advise which statements in Mr. Levi's affidavit of November 11, 2016 were incomplete and provide particulars, if particulars have not already been provided in the second affidavit.

39. Please advise which statements are misleading in Mr. Levi's affidavit of November 11, 2016 and provide all particulars that are not referred to in your second affidavit.

40. In 2006, the 2003 management agreement (Exhibit tab 4 of Mr. Levi's November 11, 2016 Affidavit) was amended and subsection 7.1.b (i) was deleted and the other subsections of 7.1 were continued and confirmed as part of agreement. Please provide the copies of the documents and any correspondence or emails that were reviewed by the Board or if not reviewed at least received by the Board when it considered and approved the amendment to section 7.1 of the management agreement in 2006. Please provide the Minutes of the Board approving each management agreement. Please provide all material provided to the Board before they made the decisions to approve the management agreement.

41. With regard to paragraph 11 of your second affidavit, please produce a copy of the Notice of Arbitration. Please confirm that the Government has reversed its position with regard to a significant portion of the issue of the entitlement of the Commercialization Fund to avoid a penalty.

42. Please confirm that the arbitration has not proceeded since that notice was delivered and that the parties are awaiting a determination in Court with regard to whether the balance of the Government's position should be set aside or reversed.

43. Page 4, paragraph 12 Mr. Ross states that the Board "regularly raised concerns at the board meetings about the quality of the Former Manager's work product, including its record keeping and financial projections". Please advise of all occasions when this occurred. That is, when the concerns were raised. Please give the dates and at which meetings this occurred. Please advise the name of each person who raised the concern and what was said. Who was it said to? What was the response? Provide any documentation you have in support of this allegation.

44. At page 5, paragraph 13, Mr. Ross states "the board regularly raised the issue of ceasing redemptions long prior to the eventual decision in 2011 to do so". Please advise of each occasion when the Board raised the issue of ceasing redemptions. Who raised it? What was said? Was there any other comment by any other person when that occurred? What was the response? Who made the response? Again, please provide the particulars of what was said. Please produce any documentation in support of this allegation.

45. With regard to the financial projections that were alleged to be "consistently overoptimistic", please advise which financial projections you are alleging were overly optimistic

about timing. Please advise which financial projections you are alleging were overly optimistic about quantity of divestments.

> If any of these complaints are in writing, provide copies of the written complaints related to this. If not, please provide particulars of which parts of the financial projections were "overly optimistic" with regard to either timing or quantity of divestments, or both and any documentation that may be relevant to this allegation.

46. With regard to paragraph 14, please provide particulars of all occasions when the Board questioned the Former Manager's assessment as referred to in paragraph 14. Please provide the particulars of that and any documentation that may be relevant to this allegation.

47. With regard to paragraph 14, page 5, Mr. Ross states "the Board questioned the Former Manager's assessment of the undesirability of ceasing redemptions, as it should have". Who questioned the Former Manager? Who was questioned? When did this questioning occur? What was said and by whom? That is, what words were used when the questions were asked and what was the response? Who made the response? Please provide any documentation in support of this allegation.

48. With regard to page 6, paragraph 15 when did you say was the time "Things got to the point that it was clear this reliance was no longer warranted"?

49. With regard to page 6, paragraph 16, there is a reference to "Many of the occasions on which the Board raised the issue of ceasing redemptions are not referenced in the Board minutes". Please advise which minutes are being referred to by Mr. Ross in that paragraph, that do not refer to the issue, when it was raised? Please provide particulars of what was said and what Mr. Ross said should have been included in the minutes. Please provide all drafts of the minutes that were

received by the Board before the Board approved the final version of the minutes that Mr. Ross is referring to in paragraph 16.

50. Mr. Ross states that there are certain parts of the minutes that "reflect the loyalty to the Former Manager". Please advise which parts of which minutes, referring to particular dates of minutes and particular portions of those minutes that Mr. Ross is referring to. Please provide particulars of when each of these minutes were first provided to the Board in draft form, and how they show that they were drafted with a view to "loyalty to the Former Manager". Was any objection made to the minutes when this occurred? Who made the objection to whom? What was said by each? Is there anything in writing supporting this allegation and, if so, please provide all documentation that supports any of these allegations for all of the minutes being referred to by Mr. Ross in that paragraph. Please provide the final version of each of these minutes, approved by the Board.

51. With regard to paragraph 21 there is a reference to "In fact I did so on a number of occasions" with regard to complaints about the Manager's fee structure and reducing its fees. Please advise the number of occasions when this occurred. Please advise when each occurred. Please advise who raised the issue. What was said and to whom? Was anything said in response? By whom? When did each of these exchanges occur? If there is anything in writing supporting this allegation, please provide that as well.

52. With regard to paragraph 26, please advise when Mr. Levi consistently and strongly was against ceasing redemptions. Who he said it to on each occasion? What was said? Whether there was any written record and if so, to provide that written record? Provide all particulars of this allegation and any documentation that may be relevant to this allegation.

53. With regard to paragraph 33, you referred to "for a number of years" Mr. Levi "discouraged the Fund from going off redemption". Please advise of all occasions over the number of years that Mr. Levi discouraged the Fund from going off redemptions and what manner of doom and gloom was stated. To whom was it stated. Please provide all particulars. Was this put in writing? If it is put in writing, please provide copies of the documents that refer to this discouragement.

54. With regard to paragraph 34, if the reference to two weeks is incorrect, was there a time period that you expressed to Mr. Levi or to the Board or both, where you stated that Roseway was not to be notified of the Newbury transaction until after it was completed? Did you, as Board chair, advise Roseway of the Newbury transaction? If you did advise Roseway, when? Whom did you advise? Was this done orally or in writing? If in writing, produce a copy. Did you request the Former Manager to advise Roseway? If you did, who did you speak to at the Former Manager? Was it confirmed that they advised Roseway? When was it confirmed that they advised Roseway? Is there anything in writing to support any notification of Roseway that you requested? Did you participate in any discussions about when Roseway should be informed of the Newbury transaction? Was there any discussion about when Roseway should be informed about the Newbury transaction with the Board? Was there any discussion about when Roseway should be advised about the Newbury transaction at any Board meetings? If so, when did that occur? What was said and by whom and to whom? Is there any note or reference to this in writing? Did you have any discussions with anyone else about the timing when Roseway would be advised of the Newbury transaction?

55. With regard to paragraph 36, if Mr. Regan agrees to be a witness, do you have any objection to his being called as a witness?

56. With regard to paragraph 40 Mr. Ross states that Roseway refused to further extend its loan. Please provide any documents, correspondence, emails or memos which indicate any attempts to obtain an extension from Roseway. Is there any response in writing from Roseway? If so, please produce it. Who asked for this extension on behalf of the Fund? Who did that person communicate with at Roseway? When did that communication take place? How many communications were there with regard to the extension? For each of those communications please advise what was said by the Fund or on behalf of the Fund and what was said by Roseway or on behalf of Roseway. Provide any term sheets that were exchanged with Roseway during the time period from April 18, 2013 through to and including September 30, 2013. Please provide any responses to those term sheets that were made by either Roseway or the Fund.

57. With regard to paragraph 44, please confirm that you have asked the monitor to provide the necessary documentation in support of and for this calculation of damages. If not, then this will be a request to the monitor and these questions are copied to the monitor, in particular, to produce all the underlying documentation related to any invoices or accounts that are the subject of the claim of damages by the Fund against the Manager.

58. Was the Fund permitted to borrow money? If so, how did this come about? Provide all documentation that supports that the Fund was able to borrow money. When did this occur? Provide any Board minutes that refer to this. Provide all material that was received by the Board if this was reviewed by the Board.

59. With regard to damages, as alleged on page 15-17 of the Affidavit, please provide all backup with regard to all damages being sought. The backup should include all particulars related to "the best estimate of $4 million" referred to in paragraph 46.

60. Please provide a copy to the Monitor of this request to ensure that the Monitor provides whatever documentation it has on behalf of the Fund if that is the manner in which this damages aspect of the claim of the Fund is being proven..

61. With regard to backup, please include all dockets, invoices and proof of payment.

62. If there is no backup to any of the invoices or other documents that are being relied upon to prove damages, please provide an explanation as to why there is no backup. If the backup does exist, please produce it. If the backup includes solicitor-client privileged information then, of course, that solicitor-client privileged information can be redacted. If appropriate, the documentation can be produced and the solicitor-client privileged information will be ignored.

First Affidavit of Ian Ross

63. With regard to your first Affidavit, there is a reference to "The projections were misleading" at paragraph 55. Please advise which projections were misleading. Please provide copies of the projections that you say were misleading. Please advise of the particulars of how they were misleading. Please advise when it was determined that they were misleading. By whom? Please advise, if you were told, who told you that they were misleading. What was said? When did this occur? What, if anything, was said to the Former Manager about this? By whom? When? To whom? Was it brought to the attention of the Board? If so, how and by whom? If there is anything in writing to support the allegation please provide it. Please provide all particulars of this allegation of misleading projections.

64. With regard to paragraph 55 you state that the projections were "unrealistically optimistic". Please advise which projections you are referring to. Please provide copies of each of them. Please

advise the particulars of how they were unrealistically optimistic. Please advise who made that determination. When was it made? Was it communicated to the Former Manager? If so, when? Who communicated it to the Former Manager? To whom at the Former Manager was it communicated? When did that communication occur? Please provide all particulars of that communication, including what was said in any response. If there is anything in writing to support this allegation please provide it.

65. With regard to paragraph 62 in light of the reliance referred to in paragraph 62 please provide all the particulars of the legal advice received with regard to the matters referred to in paragraph 62. Please include from whom the advice was obtained, when it was obtained and if such advice was provided in writing to provide all written communications of that advice. If there are any memos or notes of any meetings related to the giving of that advice, please provide those memos or notes as well. Please advise who was in attendance when the advice was given and all the people to whom it was given and by whom it was given. Please advise of the date when each piece of advice that is referred to in that paragraph was given.

66. With regard to paragraph 75 please provide particulars of "Mr. Levi, vigorously opposed the Board's decision to suspend redemptions outright". When did he vigorously oppose? What was said and to whom? Please provide all the particulars and details of the circumstances of these allegations. Please provide any documentation in support of this allegation. Please provide any documentation referring to this allegation.

67. With regard to paragraph 90 is there any other "poor record keeping" that is being relied upon? If so, what is being relied upon? Was it ever brought to the Former Manager's attention? If so, by whom and when? How was it brought to the Manager's attention? If itis in writing please

produce that writing. What effect did each of these alleged poor record keeping matters have upon the Fund? Please provide all particulars. Please advise why any of these record keeping matters could not be corrected. Please advise if they were corrected. If so, when?

68. With regard to paragraph 102 you state there were discussions with "several LSVCC's". Which LSVCC's were there discussions with that were done at the direction of CCC as the Board's financial advisor, with knowledge of the Board? Which LSVCC's are being referred to in this paragraph? When did those discussions take place? With whom were those discussions? Who was involved on behalf of the Fund? Are there any notes or memos or other written communications or memorialization of any of those discussions? Please provide any documentation that you may have in support of these allegations. Please provide any documentation that refers to these allegations.

69. With regard to paragraph 163, if not covered by the question referred to in Affidavit number 2 related to particulars and backup of all damages, please provide all backup documentation including all invoices, all backup to the invoices, details of all time entries or dockets and of the time spent with regard to each of the claims for damages referred to in paragraphs 163(a), (b), (c), (e), (f), (g) and (h). Please also provide evidence of payment with regard to each of the invoices that are the subject matter of the claim for damages. Please provide all documentation in support of or that prove payments were made with regard to any of the invoices or amounts being claimed for damages by the Fund.

70. There were many in camera meetings that did not include Mr. Levi and Mr. Jennings. Please confirm that minutes were kept of the in camera meetings. Please provide copies of all minutes or memos, (if there are no minutes), or any other documentation evidencing what was said

at each of the in camera meetings commencing from at least August 29, 2005, when the Government first made its announcement with regard to the tax credits and the phasing out of tax credits, up to and including October 1, 2013.

71. With regard to the proposed attempt to merge with Vengrowth Fund, which took place between October 2010 and the end of July 2011, please advise if that merger was successful, you agree that the effect would have been to (approximately) double the size of the Fund. Please confirm that you knew that would be the result if the merger with Vengrowth had been successful.

72. For clarity, with regard to paragraph 163 (a), the Manager requests the backup invoices and all the dockets or time summary sheets of KPMG with regard to their invoices for $369,306.00.

73. Also proof of payment is required with regard to all of these invoices that support any of the claims made in paragraph 163 of Mr. Ross' first affidavit.

74. Paragraph 163(b), the Manager requires copies of all invoices and backup time dockets for the time spent related to those accounts and proof of payment of each of the invoices, by whom they were paid, when they were paid, and how they were paid.

75. With regard to paragraph 163(c), the Manager require all timesheets and backup documents to show the time spent and the basis of the amount charged by IAS and the basis of their invoices totalling $163,858.90. The Manager requires all aspects of these charges, including work done, number of employees, hourly rates, software charges and all other charges with regard to these invoices. Please provide proof of payment of these invoices, who paid them, when and how were they paid.

76. With regard to paragraph 163(e), we require all invoice and backup dockets and any other documents supporting the time spent and the amounts billed. We also require proof of payment of each of these invoices referred to in paragraph 163(e), including who paid it, when and how it was paid.

77. With regard to paragraph 163(f), what obligations under the Participation Agreement are alleged to have been breached? Please provide the paragraph numbers in the Participation Agreement. Please provide the particulars of how they were breached. Who breached them and when? Was there any complaint made, either orally or in writing about these alleged breaches? Who made the complaint? To whom? When were they made? Provide all documentation supporting or referring to this allegation.

78. Please provide particulars of the calculation of the $5 million interest cost incurred by the Fund and when each amount was paid, proof of payment, who paid it and to whom. How was it paid? Provide all supporting documentation.

79. With regard to paragraph 163(g), please advise as to what duty of confidentiality is being referred to. Is it in any agreement? What clauses were breached? Please produce any agreement that support this allegation. What are the alleged breaches of the duty of confidentiality? Please provide particulars of when, by whom, and how it was breached. Was any notice given before the service of the Statement of Defence and Counterclaim? By whom? To whom? If in writing please provide that documentation. Please provide details of what damages are alleged to have been suffered as a result of these alleged breaches by whom and when and what amount. Provide any documentation that supports or refers to these allegations.

80. With regard to paragraph 163(h), please advise as to the particulars of the breach of the standard of care that are relied upon in support of the Fund's claim for damages. What damages are alleged to have been suffered and when, who suffered those damages, and who caused the damages. Was notice given before the September 30, 2013 termination letter was delivered? What time was that letter delivered or sent? By whom? To whom? Where did that occur?

81. Please provide all communications about payment of invoices related to the claims in paragraph 163(a), 163(b), 163(c), and 163(e), between either the Board and the Manager or Ian Ross and the Manager. Also, please provide any communications between the Board or Ian Ross and the McCarthy firm with regard to payment of the McCarthy firm invoices.

82. Please provide all documents showing the request for payment made by McCarthys to the Fund or Manager and the method of payment and when it was paid with regard to each account or invoice.

83. Please provide a copy of each account or invoice that is part of this claim and all back up with regard to the time spent.

84. Did you have any discussions with Jacqueline Medley on or about October 1, 2013 which referred directly or indirectly to the Manager satisfying the capital deficiency condition set by the British Columbia Securities Commission?

85. Did you make any comment to her about the conduct of the Manager in satisfying the capital deficiency condition, on October 1, 2013?

86. Please provide prior drafts of the final script prepared for the British Columbia Securities Commission and which script was delivered orally in July of 2012 by Ian Ross and members of the Board.

87. Who advised the Fund that Roseway would not extend the payment deadline past September 30, 2013? Who at the Fund was advised? When did that advice occur? What was said? Is there anything in writing related to this communication? Is there any memo or note referring to this communication?

88. When was Roseway told about the CCAA application that was intended to be brought? Who told Roseway? Who was told at Roseway? What was said? Is there anything in writing related to this communication? Is there any memo or note referring to this communication?

89. When did Roseway advise the Board that it would support the CCAA application? Who from Roseway advised whom on behalf of the Fund? Was there anything in writing supporting this position of Roseway? Please produce all documents that relate to this allegation.

90. When was Roseway told that the Manager was being terminated? Who told Roseway? To whom did they tell at Roseway? Is there anything in writing supporting this? Please produce all related documents involving the communications between the Fund and Roseway or a representative of the Fund and a representative of Roseway.

91. When was Roseway told that the Fund was considering terminating the Manager? Who told this to Roseway? To whom was it told? Is there anything in writing supporting this? Produce all such documents. Please provide particulars of the words that were said.

92. In your affidavit at paragraphs 76, 130, 146 and 150 you referred to receiving information from independent legal counsel or McCarthys. Please advise the name of the individuals referred to in each of these paragraphs that you spoke with and whether or not you received the information orally or in writing and if in writing, to produce a copy of that writing.

93. At paragraph 63 of your first affidavit, you refer to the Manager's assumptions as to timing and quantum of divestments of the Fund's portfolio, and you stated that they were unreasonable. Which timing of divestments were unreasonable? Which quantum of divestments were unreasonable? Please provide all particulars. What facts do you rely upon to support the allegation that the timing was unreasonable? What facts do you rely upon to support that the quantum was unreasonable? Provide any documentation in support of the allegations.

94. With regard to paragraph 63, there is an allegation that the Manager failed to recommend that the Fund obtain debt where interest or participating payments would be tied to divestments of the Fund's portfolio assets. What companies or individuals or institutions do you say would have provided this kind of debt financing where the interest or participating payments would be tied to divestments? When do you say this could have been provided by each of the companies, individuals or institutions that you identify? Please name them.

95. With regard to paragraph 63, when do you say the Manager failed to adequately project redemptions? Please give particulars of what projections were inadequate. Please advise how they were inadequate. When do you say this occurred? Please give particulars of all facts and documents you rely upon in support of this allegation.

96. When do you allege that the Manager failed to adequately project new sales? Please give particulars of which projections, what was said, and how it was inadequate. If it is for more than

one year, please provide particulars of which years and the amounts being referred to and the facts relied upon to support the allegation that the Manager failed to adequately project new sales.

97. With regard to paragraph 78, what workload of the Manager was reduced do you say, as a result of the decision to suspend redemptions? What workload was increased as a result of the decision to suspend redemptions? Did you ask the Manager what effect this would have on his workload? If you did, when did you ask the Manager and what did you say and what did the Manager say? Who was it said to on each occasion? Was this ever put in writing? If so please produce that documentation and any other documentation relevant to this allegation.

98. With regard to paragraph 102, please advise the particulars of the several LSVCCs with whom Mr. Levi discussed the business of the Fund. Give the names of these LSVCC's. Please provide any documentation that is relevant to or refers to refers to this allegation.

99. With regard to paragraph 102, please advise as to what discussions were held by CCC with several LSVCCs? When did they take place? What was said? By whom? To whom? Which LSVCC's? Produce all documentation that may be relevant to this allegation.

100. With regard to paragraph 103, when did the Fund start negotiations with Covington? Please provide all communications with regard to the negotiations with Covington. Who negotiated with Covington on behalf of the Fund? Who negotiated on behalf of Covington with the Fund? Which Covington are you referring to?

101. When did negotiations end with Covington? Why did negotiations end? What were you told were the issues as to why a deal could not be made? Was there anything put in writing as to why the deal did not get completed? Please produce all documentation that refers to this allegation.

102. When was Covington first told that the plan was to terminate the Manager? Who told this to whom at Covington? What was said? Please advise of all the communications related to this issue. Was there anything put in writing? Please produce all written communications or memos related to this.

103. When was Covington first told that the Manager would be terminated? Who told this to whom at Covington? What was said by the representative of the Fund when this was told to Covington? If there is anything in writing, please produce that written communication.

104. Was the Manager ever told that the Manager lost the trust or confidence of Roseway? If so, who told whom at the Manager? When was the Manager told? Please provide all occasions. If there are any documents that refer to this allegation please produce them.

105. Was the Manager ever told that the Board had lost confidence in the Manager? If so, who told that to the Manager? To whom was it told? Please advise of all occasions when this occurred. Please provide the particulars of what was said. If there is anything in writing to support these allegations, please produce it.

106. With regard to paragraph 112, when did the Special Committee take over discussions on behalf of the Board, with Roseway? Who was on the Special Committee at the time? What member of the Special Committee took on that task? What discussions occurred with Roseway? Who had the discussions with Roseway? Who was the person at Roseway that dealt with these discussions? Please provide all particulars of what was said by all participants in these negotiations. If anything was put in writing related to these discussions, please produce the documentation.

107. Please advise the date in May that CCC assumed the lead for the Fund's negotiations with Roseway. Who assumed those lead negotiations? Who did they negotiate with at Roseway? When did those negotiations start? Please provide all documentation supporting these allegations and provide particulars of all negotiations with Roseway.

108. With regard to any of the above questions, if McCarthys was directly involved in negotiations, please provide any notes, memos and particulars of who at McCarthys was involved and what was said in those negotiations by representatives from McCarthys.

109. With regard to those negotiations, beside producing copies of all documentation, memos, notes or emails related to the negotiations. Please provide copies of the notes of those persons who acted on behalf of the Fund in carrying out these negotiations. Please include emails, memos or any other documentation documenting or referring to these negotiations.

110. In paragraph 120, to who was it "admitted" that the Manager did not have a full understanding of the transaction involving Cytochroma? What is the name of the person who said that on behalf of the Manager? To whom was it said? When was it said? Provide all particulars of this communication. Provide any documentation in support of this allegation or that refers to this allegation.

111. In paragraph 121, what additional payments were required to be made by the Fund, referred to in this paragraph? When were they made? Why do you say additional payments were made? Who was involved in making that decision? Were there any negotiations and if so, what were those negotiations? Produce the documents that support this allegation and produce all documents related to this allegation and these negotiations. Which clauses of the Participation

Agreement do you say are relevant to this claim that the Fund was required to make additional payments? How much were those payments? Provide proof of payment of those payments.

112. In paragraph 133, please advise of the seven dates when the Participation Agreement was amended and the time for repayment was extended. For each of these occasions, when did that occur? What was the interest amount that was capitalized and added to the loan? When did each occur? Provide all documentation showing the amount and the date that this occurred and any confirmation in writing. Please also provide all documents that refer to these extensions and that the unpaid interest would be capitalized and added to the loan. Please advise who was involved in each of those extensions on behalf of the Fund and on behalf of Roseway. Was the Manager advised of this? By whom? When? Provide all documentation referring to this.

113. Please provide a copy of all Board minutes of the Fund that have not been produced, after August 29, 2005 and up to October 1, 2013, a copy of all minutes of the Investment Committee, Independent Review Committee and Audit and Valuation Committees, for the same time frame, including all material provided to the Board members or Committee members before or at the meeting, when _decisions (or recommendations) were made by each of the Committees or the Board.

January 13, 2017

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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

QUESTIONS

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

THE EIGHTEENTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

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