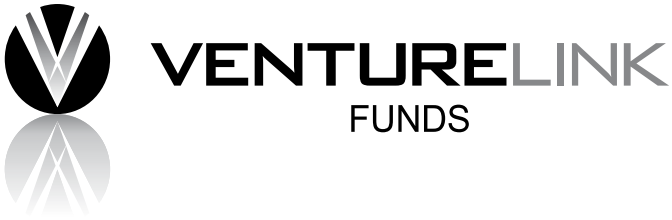

VENTURELINK INNOVATION FUND INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON WEDNESDAY JULY 20, 2016

AND

MANAGEMENT INFORMATION CIRCULAR DATED JUNE 2, 2016

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the "**Meeting**") of the Shareholders of VentureLink Innovation Fund Inc. ("**the Fund"**) will be held at 1 First Canadian Place, Suite 1600, 100 King Street West, Toronto, Ontario on Wednesday, July 20, 2016 at 3:00 p.m. (Toronto time), for the following purposes:

a. to receive the financial statements of the Fund for the financial year ended December 31, 2015 together with the report of the auditors thereon;

b. to elect seven (7) directors the Fund of whom two (2) are to be elected by the holders of all series of the Class A Shares voting collectively as a class, and of whom five (5) are to be elected by the holder of Class B Shares, voting separately as a class;

c. to appoint PricewaterhouseCoopers LLP as the auditors of the Fund and to authorize the directors to fix the remuneration of the auditors;

d. to consider and, if deemed appropriate, to pass a special resolution, with or without variation or amendment (the text of which is set out in Schedule A of the Circular for the Fund) authorizing the addition of certain amounts to the stated capital account maintained by the Fund in respect of its Class A Shares as more particularly described in the accompanying Management Information Circular dated June 2, 2016 (the "**Circular**");

e. to consider and, if deemed appropriate, to pass a special resolution voted on separately by holders of each of the Class A Shares and Class B shares with or without variation or amendment (the text of which is set out in Schedule B of the Circular for the Fund) to reduce the frequency of the calculation of net asset value of the Fund and its shares from daily to weekly; to change the definition of Redemption Date to match the reduction in frequency in calculation of net asset value to permit redemptions on a weekly basis rather than a daily basis; and to permit the Fund to pro rate all redemptions received during a redemption period in which the Fund is unable to fulfill all redemption requests rather than honour redemptions based upon the time of the redemption request; and

f. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

This Notice is accompanied by a form of Proxy and a Circular that provides particulars of the matters set out in this Notice.

DATED at Toronto on June 2, 2016.

BY ORDER OF THE BOARD OF DIRECTORS OF THE FUND

"W. James Whitaker"

W. James Whitaker
Chief Financial Officer and Director of the Fund

At the Meeting, holders of the Class A Shares and Class B Shares are entitled to one vote per share. Shareholders who are unable to attend the Meeting are requested to complete, sign and return the enclosed form of proxy, in the envelope provided for that purpose.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of VentureLink Innovation Fund Inc. (hereinafter referred to as the "Fund") to be used at the Annual and Special Meeting (the "Meeting") of the Shareholders of the Fund to be held at 1 First Canadian Place, Suite 1600, 100 King Street West, Toronto, Ontario on Wednesday, July 20, 2016 at 3:00 p.m. (Toronto time) and at any adjournment or adjournments thereof for the purposes set forth in the accompanying Notice of Meeting. It is expected that such solicitation will be primarily by mail, however, proxies may also be solicited by the directors or officers of the Fund by means of telephone, facsimile or in person. The cost of the solicitation of proxies by management will be borne by the Fund. All information set forth herein unless otherwise stated is as at May 27, 2016.

APPOINTMENT, REVOCATION AND DEPOSIT OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors or nominees of management of the Fund. **A SHAREHOLDER HAS THE RIGHT TO APPOINT ANY OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING AND MAY DO SO BY INSERTING IN THE BLANK SPACE PROVIDED IN THE SAID FORM OF PROXY THE NAME OF THE PERSON, WHO NEED NOT BE A SHAREHOLDER, WHO HE OR SHE WISHES TO APPOINT, OR BY COMPLETING ANOTHER FORM OF PROXY AND IN EITHER CASE, DELIVERING THE COMPLETED PROXY TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE FUND, NOT LATER THAN THE DAY PRECEDING THE DAY OF THE MEETING OR BY DEPOSITING IT WITH THE CHAIRMAN OF THE MEETING PRIOR TO THE COMMENCEMENT OF THE MEETING.**

Shareholders who are unable to attend the Meeting in person should complete and sign the enclosed proxy and return same in the enclosed envelope in order that it is received by CI Investments Inc. on behalf of VL Advisors Inc. at CI Investments, 15 York Street, 2nd Floor, Toronto, ON M5J 0A3 at any time up to 3:00 p.m. (Toronto time) on July 19, 2016 or 24 hours (excluding Saturday, Sunday and holidays) prior to any adjournment thereof.

A shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised. Section 148(4) of the *Canada Business Corporations Act* (the "**CBCA**") sets out the procedure for revoking proxies by the deposit of an instrument in writing at the registered office of the Fund at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of such Meeting on the day of the Meeting or any adjournment thereof or in any other manner permitted by law.

A shareholder attending the Meeting has the right to vote in person and if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

The Chairman of the Meeting may conduct a vote on any matter by a show of hands of the shareholders and proxy holders present at the Meeting and entitled to vote thereat unless a ballot is demanded by a shareholder present at the Meeting or by a proxy holder entitled to vote at the Meeting. Proxies in favour of management will be voted on any ballot that may be called for and, where instructions are given with

respect to a particular matter to be acted upon, such proxies will be voted in accordance with such instructions. If no instructions are given with respect to the particular matters to be acted upon, such proxies will be voted in favour of the motion described.

The form of proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting.

At the time of printing this Circular, the management of the Fund knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **However, if other matters which are not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

A simple majority of the votes cast either in person or by proxy is sufficient to pass all the matters specified in the Notice of Meeting except for the special resolution authorizing the addition of certain amounts to the stated capital account maintained by the Fund in respect of its Class A shares and the special resolution related to the reduction in frequency in calculating net asset value and the management and potential pro-ration of redemption requests.. The first special resolution requires that at least 66 2/3% of the votes cast either in person or by proxy to be cast in favour of the resolution in order for it to pass. The second special resolution requires that the Class A and Class B shareholders vote by class with at least 66 2/3% of the votes cast either in person or by proxy of each class be cast in favour of the resolution in order for it to pass. In the case of an equality of votes, the Chairman of the Meeting shall not be entitled to a second or casting vote.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Fund consists of an unlimited number of shares as listed below:

Fund	**Class of Shares**	**Authorized Number of Shares**	**Issued and Outstanding Number of Shares as of May 27, 2016**
VentureLink Innovation Fund Inc.	Class A Series I	unlimited	730,030
	Class A Series II	unlimited	473,162
	Class A Series III	unlimited	4,182,963
	Class A Series IV	unlimited	1,920,923
	Class A Series VI	unlimited	95,755
	Class B	unlimited	400
	Class P	unlimited	1,200,000

At the Meeting, holders of both Class A and Class B shares are entitled to one vote per share. The holder of Class P shares is not entitled to vote those shares.

In accordance with National Instrument 54-101 – *Proxy Solicitation* of the Canadian Securities Administrators, the Fund has fixed the close of business on June 1, 2016 as the record date for the purpose of determining shareholders entitled to receive the Notice of Meeting. All shareholders of record as at the close of business on the record date will be entitled to vote at the Meeting.

To the knowledge of management, no person or company owns of record, and management knows of no person or company who owns beneficially, directly or indirectly, more than 10% of the issued Class A shares of the Fund. The directors and senior officers of the Fund, as a group, and the directors and senior officers of VL Advisors Inc. (the "**Manager and Investment Advisor"** or "**Advisors**"), as a group, beneficially own, directly or indirectly, less than 2% of the issued and outstanding Class A shares of the Fund. The Canadian Federal Pilots Association (the "**Sponsor**") owns of record and beneficially all of the issued and outstanding Class B Shares of the Fund. VL Holdings LP owns of record and beneficially all of the issued and outstanding Class P Shares of the Fund.

PARTICULARS OF MATTERS TO BE ACTED UPON

Items 1 through 4 below constitute the annual business and items 5 and 6 constitute the special business to be conducted at the Meeting.

1. Presentation of Financial Statements

The financial statements for the year ended December 31, 2015, and the report of the auditors thereon, each of which is contained in the Fund's annual report, will be placed before the Meeting. Additional copies of such financial statements may be obtained from the Manager and Investment Advisor at 3 Church Street, Suite 602, Toronto, Ontario M5E 1M2 or by telephoning the Manager and Investment Manager at 416-681-6676 in Toronto or toll free at 1-800-253-1043.

2. Election of Directors

The Articles of the Fund (the "**Articles**") provide that the Board of Directors (the "**Board**") shall consist of a minimum of three (3) and a maximum of nine (9) directors. The Board presently consists of seven (7) directors, all of whom are deemed to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. Management proposes that seven (7) directors be elected for the ensuing year. The Articles provide that the holders of Class A shares, as a class, are entitled to elect two directors and the holders of Class B Shares are entitled, as a class, to elect that number of directors representing the total number of directors less the number of directors that the holders of the Class A shares are entitled to elect as a class, provided that such number of directors which the holders of the Class B Shares are entitled to elect shall be a majority of the total number of directors. For the Meeting, the holder of the Class B Shares is entitled, as a class, to elect five (5) directors and the holders of the Class A shares are entitled to elect two (2) directors in total.

Management does not contemplate that any of the nominees will not be able to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until his or her successor is duly elected at the next annual meeting of the shareholders of the Fund unless, prior thereto, he or she resigns or his or her office becomes vacant by reason of death or other cause under applicable law.

Class A shares

Two (2) persons will be nominated at the Meeting for election as directors by the holders of the Class A shares of the Fund or their duly appointed proxy. Set forth below are the names of such persons, their principal occupations, their period of service as directors of the Fund or its predecessors by amalgamation and the approximate number of Class A shares of the Fund beneficially owned or over which control or direction is exercised by them as of the date hereof.

Name and Municipality of Residence	Position with the Fund and Principal Occupation	Director of Fund (and predecessor) Since	Class A shares of the Fund Owned or Controlled
IAIN A. ROBB [(1)] Courtice, Ontario	Director of the Fund, Lawyer in private practice	September 24, 2001	NIL
ROBERT B. FALCONER [(1)] Toronto, Ontario	Director of the Fund, Retired	December 18, 2003	NIL

(1) Member of the Audit and Valuation Committee and Investment Committee.

Class B Shares

Five (5) persons will be nominated at the Meeting for election as directors by the Sponsor, the holder of all of the issued Class B Shares of the Fund, or its duly appointed proxy. Set forth below are the names of such persons, other positions and offices with the Fund now held by them, their principal occupations,

their period of service as directors of the Fund or its predecessors by amalgamation and the approximate number of Class A shares of the Fund beneficially owned or over which control or direction is exercised by each of them as of the date hereof.

Name and Municipality of Residence	Position with the Fund and Principal Occupation	Director of Fund (and predecessor) Since	Class A shares of the Fund Owned or Controlled
GREGORY K. McCONNELL Woodlawn, Ontario	Director of the Fund and Chairman of the Sponsor	May 14, 2015	NIL
CHRISTOPHER M. HOPPER [(1)] Toronto, Ontario	Director of the Fund, President and Chief Executive Officer of KLQ Mechanical Limited and Complete Electrical Services Inc.	December 18, 2003	NIL
W. JAMES WHITAKER Toronto, Ontario	Director and CFO of the Fund, Director and CEO of the Manager and Investment Advisor	December 23, 2005	Owns 1,393 Class A shares
GEOFFREY D. HORTON Toronto, Ontario	Director and CEO of the Fund Director and CFO of the Manager and Investment Advisor	July 25, 2006	Owns 1,235 Class A shares
MICHAEL KELLY Toronto, Ontario	Director of the Fund, Retired	July 25, 2007	NIL

(1) Member of the Audit and Valuation Committee and the Investment Committee.

The following is a brief biographical description, including a description of the principal occupations for the last five years of each of the proposed nominees:

Robert B. Falconer was most recently the Director of Community Loans Policy and Risk Control with the Ontario Infrastructure Projects Corporation. He has more than 25 years of experience in senior finance positions in the public and private sectors in Canada. His corporate finance experience began as a senior financial analyst with Shell Canada in 1980. He has since held senior management positions with Xerox Canada, Central Guaranty Trust, Ontario Clean Water Agency, and Altamira Financial Services. Mr. Falconer holds a B.Sc. in physics from the University of Manchester Institute of Science and Technology, and an MBA specializing in finance from the University of Saskatchewan.

Christopher M. Hopper is President and Chief Executive Officer of KLQ Mechanical Limited, a Toronto based commercial heating, ventilation, air conditioning and refrigeration contracting firm and Complete Electrical Services Inc., a Toronto based electrical contractor. Prior to this, Mr. Hopper was the President and Chief Executive Officer of Northern Home Services, a Toronto-based residential heating and air conditioning contracting firm. He has more than 20 years of experience in management positions in several industries. He began his career as an analyst in the mergers and acquisitions department of RBC Dominion Securities, before spending five years as a strategic consultant and manager with Bain & Co. in Toronto and San Francisco. He also sits on the Board of Governors of CI investments Inc. and the Board of Directors of the Electrical Safety Authority of Ontario.. Mr. Hopper holds a BA in philosophy from Dalhousie University, a diploma in French studies from the Université de Franch-Comte and an MBA from the University of Western Ontario.

Geoffrey D. Horton is a Director and Chief Financial Officer of VL Advisors Inc. and Chief Executive Officer and a Director of the Fund. Mr. Horton joined the former manager of the Fund in October 2001, and has been involved in management of the portfolio investments since that time. Previously, Mr. Horton held various investment management roles at a competing labour sponsored investment fund focused on early and later stage venture capital investing, and worked as an agent to trade in the institutional fixed

income market. Mr. Horton holds a Bachelor of Commerce (Honours) from Queen's University, a Diploma in Classical Animation from Vancouver Film School and is a Chartered Financial Analyst.

Michael Kelly has over 25 years experience in the financial services industry. He began his career as an investment advisor with Pitfield Mackay Ross, and has held senior sales and management positions with three major Canadian financial services companies. He was most recently a Senior Vice-President with CI Investments. He currently consults to the financial services industry.

Iain A. Robb is a lawyer in private practice. From 1990 to 2015 Mr. Robb was an associate (1990 to 1995) and a partner (1996 to 2015) of the law firm Gowling Lafleur Henderson LLP, where he was a member of the corporate finance group. Mr. Robb's practice is restricted to corporate and securities matters with a particular emphasis on mutual funds and structured investment products. Mr. Robb holds a Bachelor of Laws degree from the University of Toronto and a Bachelor of Arts (Industrial Relations) degree from McGill University. In addition to being a director of the Fund, Mr. Robb is a director of various other investment funds, including other labour sponsored investment funds.

Gregory K. McConnell is the National Chairman of the Sponsor. He began representing his fellow pilots in this role on July 1, 2015. Between 1992 and 2015, Mr. McConnell was a Civil Aviation Inspector responsible for the National Air Operator Certification Program with Transport Canada in Ottawa, Ontario. Prior to that Mr. McConnell served as an Airline Transport pilot with numerous Canadian Air Taxi, Commuter and Charter Airlines both domestically and internationally.

W. James Whitaker is a Director and Chief Executive Officer of VL Advisors Inc. and Chief Financial Officer and a Director of the Fund. Mr. Whitaker joined Skylon, the former manager of the Fund, in March 2003. Mr. Whitaker was at Working Ventures from 1994 to February 2003, most recently as Senior Vice-President, Investments. While at Working Ventures, Mr. Whitaker led the information technology team, led investments and served as a member of the board of directors of approximately twenty venture investments and was a member of the management investment committee. Prior to such time, Mr. Whitaker worked at Ernst & Young LLP providing financial advisory services to mid-market companies in a wide range of industries. Mr. Whitaker is a Chartered Accountant and a Chartered Business Valuator. Mr. Whitaker holds a Bachelor of Commerce degree from McGill University.

The Fund does not have an Executive Committee of its Board. The members of the audit and valuation committee and the investment committee are Robert B. Falconer, Christopher M. Hopper and Iain A. Robb. The members of the independent review committee are Robert B. Falconer, Christopher M. Hopper and Michael Kelly.

The Sponsor has entered into a number of agreements between the Fund, the Sponsor and CFPA Sponsor Inc. (the "**Sponsor Agreements**"), in which it was agreed, as it relates to the Fund, that the Sponsor will elect one nominee who will be the representative of the Sponsor and four nominees nominated from time to time by the Manager who will be the representatives of the Manager on the board of directors of the Fund. Any further nominee directors will be nominated jointly by the Manager and the Sponsor.

3. Appointment of Auditors

The persons designated in the enclosed form of proxy intend to vote for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2 as auditors of the Fund and to authorize the directors to fix the auditors' remuneration. PricewaterhouseCoopers LLP was first appointed as auditor of the Fund in June 2004.

4. Increase to Stated Capital of the Fund

On the Manager and Investment Advisor's recommendation the Fund intends to capitalize annually sufficient amounts of its capital gains and interest and other investment income to the extent necessary to

permit the Fund to maximize refunds of tax and minimize taxes otherwise payable by it. The Fund proposes to effect the capitalization by increasing the stated capital of each series of its Class A shares. For tax purposes this will increase the paid up capital of the shares of the series. The Fund has made an election to have subsection 84(1) of the Tax Act apply, so that the increase of the paid up capital of its Class A shares will result in a deemed dividend entitling the Fund to a refund of all or part of any refundable tax otherwise payable on its interest and other investment income or net realized capital gains, as the case may be.

On the Manager and Investment Advisor's recommendation, the Fund proposes to capitalize net investment income (other than capital gains) prior to December 31, 2016 resulting in deemed dividends in an aggregate amount equal to an estimate of the amount that would allow the Fund, pursuant to subsection 129(1) of the *Income Tax Act* (Canada) (the "**Tax Act**"), to obtain the maximum refund of tax otherwise payable by the Fund on such investment income (other than capital gains) for the taxation year ended December 31, 2016. On the recommendation of the Manager and Investment Advisor, the Fund proposes to capitalize further amounts at appropriate intervals on or before February 29, 2017 resulting in deemed dividends which in the aggregate equal an estimate of the amount which would allow the Fund, pursuant to subsection 131(2) of the Tax Act, to obtain the maximum "capital gains refund" (as defined in subsection 131(2) of the Tax Act) available for its taxation year ending December 31, 2016. The Chief Financial Officer of the Fund will estimate the amounts to be capitalized and these amounts will be approved by the Manager and Investment Advisor of the Fund.

The maximum amount of the refund to which a Fund may be entitled under subsection 129(1) of the Tax Act is an amount equal to the lesser of: (1) 33 1/3% of taxable dividends paid in the year, and (ii) the Fund's "refundable dividend tax on hand" for purposes of the Tax Act at the end of the year. The Fund's refundable dividend tax on hand is a cumulative amount generally equal to a portion of the tax paid on the Fund's interest and investment income, other than capital gains. Detailed rules in the Tax Act govern the calculation of the Fund's refundable dividend tax on hand.

The maximum amount of the refund to which the Fund may be entitled under subsection 131(2) of the Tax Act is an amount equal to the lesser of: (i) 14% of capital gains dividends paid during the period commencing 60 days after the beginning of the year and ending 60 days after the end of the year, plus the Fund's capital gains redemptions for the year, and (ii) the Fund's "refundable capital gains tax on hand" (as defined in subsection 131 (6) of the Tax Act) at the end of the year. The Fund's refundable capital gains tax on hand is a cumulative amount generally equal to the unrefunded federal tax paid on the Fund's net realized capital gains. Detailed rules in the Tax Act govern the calculation of a Fund's refundable capital gains tax on hand.

Each separate increase in paid up capital will be deemed to be a dividend paid on the Class A shares for tax purposes. If you are an individual holding Class A shares directly, rather than in a registered retirement savings plan ("**RRSP**") or registered retirement income fund ("**RRIF**"), your proportionate share of the deemed dividend will (unless it is designated as a capital gains dividend) be included in your income and subject to the gross-up and dividend tax credit rules in the Tax Act. An enhanced gross-up and dividend tax credit will be available to the extent, if any, that the Fund designates the dividend to be an eligible dividend. The Fund may make an election that will cause a deemed dividend on the Class A shares to be a capital gains dividend. The election must be made in respect of the full amount of the deemed dividend. The dividend will be deemed to be a capital gains dividend to the extent that it does not exceed the Fund's capital gains dividend account at that time. Your proportionate share of the capital gains dividend will be taxed in your hands as a capital gain from the disposition of capital property.

You will not receive any cash distribution in respect of the increase in stated capital of the Class A shares. Accordingly, you may be liable to pay tax in respect of a deemed dividend (including a capital gains dividend) even though you have not received a cash distribution from the Fund with which to pay the tax.

In general, a shareholder's adjusted cost base of Class A shares of the Fund will be increased by the amount of any dividend deemed to have been received on such shares.

A holder of a Class A share which is a RRSP or a RRIF is generally exempt from tax on the amount of any deemed dividend, including a capital gains dividend.

For the purpose of the CBCA, the capitalization of income results in a corresponding increase in the stated capital account maintained by the Fund in respect of each series of its Class A shares. Under that Act, the Fund is required to obtain the approval of its shareholders by way of a special resolution to any increase in the stated capital account in respect of its Class A shares. For the purpose of satisfying this requirement, it is proposed that a special resolution be passed by the shareholders of the Fund in the form attached as Schedule A to this Circular. The special resolution must be passed by at least two-thirds of the votes cast by the holders of the Class A shares and the holder of the Class B shares of the Fund who voted on the proposed resolutions at the Meeting for the Fund. It is expected that shareholders of the Fund will be asked to approve such special resolution on an annual basis.

The foregoing summary is not intended to be, nor should it be construed to be legal or tax advice. You should consult your own tax advisors for your individual circumstances.

Assuming all necessary shareholder approvals are given at the Meeting, this special resolution will become effective and the Fund will to the extent determined appropriate by the Board, increase the paid-up capital of each series of its Class A shares, on or before February 28, 2017 by an amount determined in respect of its taxation year ending December 31, 2016.

5. Reduction of frequency of calculation of Net Asset Value, reduction of redemption frequency, and settlement of redemptions on a pro rata basis

On the Manager and Investment Advisor's recommendation, the board of directors of the Fund is seeking the approval of the shareholders and the applicable regulatory authorities to permit the Fund to (i) amend the share provisions in its articles to reduce to weekly the frequency of the calculation of net asset value of the Fund and thereby each class of Shares, (ii) amend the share provisions in its articles to permit the Redemption Date to change from the day following receipt of a redemption request to the last business day of the week the redemption request is received, and (iii) amend the share provisions in the articles to permit the Fund to pro rate all redemption requests received during any redemption period in which the Fund is unable to fulfill all redemption requests rather than honour redemptions based upon the time of receipt of the redemption request. The purpose of these proposed changes is to better manage and administer redemption requests following a halt of redemptions by the Fund and to provide investors with greater certainty that they will receive some cash in exchange for their investment in the Fund when they wish to redeem their investment.

Background

As described in previous public disclosures, the Fund is in the process of winding down its portfolio of investments and is managing its liquidity in order to facilitate the orderly wind up of the Fund and the maximum distribution to its shareholders. As required by its governing legislation, the Fund's venture portfolio consists largely of illiquid venture investments. In most cases the optimal approach to realizing venture investments is to hold the investments until liquidity is provided by way of an en-bloc sale of the business or an initial public offering by the venture company. The timing of realizations is dependent upon (i) aligning the objectives of the shareholders of a particular investment (of which the Fund is typically one of several) and (ii) the market conditions for sale transactions and/or initial public offerings for companies similar to the particular venture company.

After taking into account the Investment Advisor's advice about the timing of the optimal realization for each of its venture investments and the investment horizon for each of its shareholders, the Fund has identified 2018 or 2019 as its target for the realization of 100% of the venture investments of the Fund. In order to manage fund liquidity until such time as the Fund realizes upon its venture investments, the Manager and Investment Advisor believe that it will likely be in the best interest of shareholders and the Fund to restrict redemptions in at least one of the next three to four fiscal years in the manner originally described in the Fund's prospectus. Those provisions provide the Fund with the discretion to halt redemptions in a given financial year once redemptions have reached an aggregate value of 20% of the net assets value of the Fund on the last day of the preceding financial year.

Proposed changes

The board of directors of the Fund is seeking the approval of the shareholders, and if so received will seek the approval of the regulators, to amend its articles to (i) reduce the frequency of the calculation of the net asset value of the Fund from daily to weekly, (ii) reduce the frequency with which shares of the Fund may be redeemed to permit weekly redemptions rather than daily redemptions, and (iii) to permit the Fund to pro rate all redemptions received during any redemption period in which the Fund is unable to fulfill all redemption requests due to a halt rather than honour redemptions based upon the time of the redemption request.

The proposed changes would allow for better management and administration of redemptions in any year during which a halt of redemptions is initiated and would provide investors with greater certainty that they will receive some cash in exchange for their investment in the Fund when they wish to redeem their investment. Specifically, the move to a weekly calculation of net asset value and the weekly satisfaction of redemptions will allow all shareholders a week to ensure that their redemption requests are received by the Administrator of the Fund in advance of the deadline and processed in an orderly manner. Industry experience of the Administrator suggests that a one day window for redemptions will lead to administrative challenges for the Fund and the Administrator. The ability to pro rate (based on the number of shares each shareholder wishes to redeem) would allow all shareholders wishing to redeem their shares equal access to the capital that the Fund is then able to distribute as proceeds of redemption rather than resorting to a race to communicate that intention through whichever trading mechanism an investor's advisor is able to use to process mutual fund redemptions. The board of the Fund believes that this would be a preferable result for the vast majority of shareholders.

The authorization to pro-rate redemption requests would only apply in the event that:

-cumulative redemption requests at the end of a week exceed the minimum aggregate redemption amount of 20% of the previous year end net asset value; and

-the Board of the Fund determines that redemptions should be halted at a level equal to or greater than the minimum aggregate redemption amount.

A brief summary of how redemptions in the year following a halt would work before and after the proposed changes is as follows:

	Without changes	With the proposed changes
Time to submit redemption request	First in line on day of reopening with difficulty in assessing precise order of receipt.	One business week to submit request.
Amount of redemption request to be filled	Depends on total volume of redemption requests, if no halt than 100% fill, if a halt than 100% fill or no fill based on time of receipt.	If no halt then 100% fill, if a halt then pro-rata
Certainty of proceeds	No certainty of at least some proceeds.	At least 20% fill
Aggregate redemption amount	Minimum 20% of prior year ending net asset value.	Minimum 20% of prior year ending net asset value.

The special resolution to effect the changes above will be subject to a separate vote by holders of the Class A and Class B shares and will require approval of 2/3 of the votes of each class. In addition, as a federally registered Labour Sponsored Venture Capital Corporation, notice of the proposed changes to

the Articles of Incorporation must be provided to the Ministry of Finance. Implementation of the resolution, if passed by shareholders, will be conditional upon the response of the Ministry of Finance.

Finally, the proposed changes trigger statutory rights for shareholders. The rights of shareholders in that respect are set out below. The board reserves the discretion to not proceed with these proposed changes if the total number of shares of dissenting shareholders, when combined with the total number of shares redeemed to the date of the annual general and special meeting of shareholders materially exceeds 20% of the net asset value of the Fund as it existed on December 31, 2015.

Dissenting Shareholders

Holders of the Fund are permitted to dissent from the proposed special resolution pursuant to the provisions of section 190 of the CBCA, as applicable (see "**Rights of Dissenting Shareholders**"). A holder who dissents will be entitled to be paid the fair market value of the Class A Shares of the Fund held by such holder determined as at the close of business on the day before the special resolution was passed. Where a shareholder dissents from the proposed changes and receives a cash payment for his shares from the Fund, the shareholder is considered to have realized proceeds of disposition equal to the amount of the payment received by the holder. The proceeds of disposition will be reduced by the amount withheld and paid to the Receiver General for Canada as a return of the federal tax credit, the amount withheld from the proceeds and paid by the Fund to the Ministry of Finance (Ontario) as a return of the Ontario tax credit and applicable early redemption fees. **Dissenting shareholders are strongly urged to consult their own tax advisors. See "Summary of Dissent Rights" and Schedule "C".**

Rights of Dissenting Shareholders

Shareholders of the Fund will be entitled to exercise dissent rights (the "**Dissent Rights**") pursuant to and in the manner set forth in Section 190 of the CBCA with respect to the special resolution. Shareholders that validly exercise their Dissent Rights and do not withdraw their dissent ("**Dissenting Shareholders**") will be entitled to receive the "**fair value**" of their Class A shares determined in accordance with Section 190 of the CBCA as at the day before the special resolution is adopted by shareholders. The Board and management of the Fund believe that the net asset value of each series of the Class A shares of the Fund represents the fair value of those shares. **Any Dissenting Shareholders who held their Class A shares for less than eight years will be required to repay federal and provincial tax credits granted when the shares were originally purchased.**

The following summary of the Dissent Rights under the CBCA is not a comprehensive description of the procedures to be followed in connection with the exercise of Dissent Rights. The summary is qualified in its entirety by reference to the full text of Section 190 of the CBCA which is set out in Schedule "C" to this Circular. Shareholders of the Fund who intend to exercise Dissent Rights should seek legal advice and carefully consider and comply with the provisions of the CBCA pertaining to the exercise of those rights. Failure to comply with these provisions and to adhere to the procedures established therein may result in the loss of Dissent Rights in respect of the special resolution.

Section 190 of the CBCA provides that a shareholder may only make a claim under that section with respect to all shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholders' name. One consequence of this provision is that a holder of shares may only exercise the right to dissent under section 190 of the CBCA in respect of shares which are registered in that holder's name.

Summary of Dissent Rights

In order to be considered as a Dissenting Shareholder, a shareholder must send to the Fund a written objection to the special resolution at or before the Meeting. A vote against the special resolution does not constitute notice of dissent under the CBCA and a shareholder who votes in favour of the special resolution will no longer be considered a Dissenting Shareholder.

A Dissenting Shareholder may only claim under Section 190 of the CBCA with respect to all Class A Shares of the Fund held on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. Under the CBCA, there is no right of partial dissent. The filing of a written objection

to the special resolution does not deprive a shareholder of the right to vote on the resolution, however the objection will not be effective if the objecting shareholder votes in favour of the resolution. The CBCA does not provide and the Fund will not assume, that a vote against the special resolution constitutes a written objection. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the special resolution does not constitute a written objection. Any proxy granted by a shareholder who intends to dissent, other than a proxy that instructs the proxy holder to vote against the special resolution, should be validly revoked in order to prevent the proxy holder from voting such shares in favour of the special resolution and thereby causing the shareholder to forfeit his or her right of dissent.

Within 10 days after shareholders adopt the special resolution, the Fund must send notice of such fact to each Dissenting Shareholder who has not withdrawn their objection and who has not voted in favour of the special resolution. The Dissenting Shareholder has 20 days after receipt of such notice to send the Fund a written notice or, if such notice is not received, within 20 days of learning that the special resolution has been adopted, setting out such holder's name, address, the number of Class A Shares that are subject to the objection and a demand for payment of the fair value of such Class A Shares. Within 30 days of after sending the notice containing the demand for payment, the Dissenting Shareholder must send to the Fund any certificates representing shares subject to the objection. The Fund will endorse the certificates, noting the dissent, and return the certificates to the Dissenting Shareholder.

Upon the sending of the notice to the Fund containing the demand for payment, a Dissenting Shareholder ceases to have any further rights as a shareholder of the Fund except the right to be paid the fair value for the Dissenting Shareholder's Class A Shares, unless (i) the shareholder withdraws the notice before the Fund makes the offer to pay for the shares, or (ii) the Fund fails to make the offer to pay for the Class A Shares and the Dissenting Shareholder withdraws the notice, or (iii) the directors of the Fund revoke the special resolution, in which case the Dissenting Shareholder will be reinstated as a shareholder of the Fund as of the date the notice was sent.

No later than 7 days after filing the articles of amendment with respect of the proposed changes set out in the special resolution and the day upon which the Fund receives the Dissenting Shareholder's notice containing a demand for payment, the Fund must send to such Dissenting Shareholder a written offer to pay fair value for the Dissenting Shareholder's Class A Shares, as determined by the Board of Directors of the Fund, along with a statement showing how the fair value was determined or a notification that it is unable to pay dissenting shareholders for his or her shares because the Fund is or would after the payment be unable to pay its liabilities as they become due, or the realizable value of the Fund's assets would thereby be less than the aggregate of its liabilities. It is expected that the fair value of any Dissenting Shareholder's Class A Shares will be determined by reference to the NAV per share of such shares as at the date of the articles of amendment are filed. Such payment must be made by the Fund within 10 days after the offer has been accepted, but any such offer lapses if the Fund does not receive an acceptance thereof within 30 days after the offer has been made.

In the event that the Fund fails to make an offer to a Dissenting Shareholder, or in the event that such offer is not accepted, the Fund or the Dissenting Shareholder may apply to court to fix a fair value for the Fund's Class A Shares of the Dissenting Shareholder. The CBCA contains provisions governing such court application. The text of Section 190 of the CBCA setting forth in detail such provisions as well as the right of dissent referred to above is attached as Schedule "C" to this Circular.

MANAGEMENT OF THE FUND

6. Executive Compensation

Remuneration of Executive Officers

The executive officers of the Fund will receive no direct compensation or benefits, in cash or otherwise, from the Fund. The services of the Chief Executive Officer and the Chief Financial Officer are to be provided by the Manager and Investment Advisor under the Management and Investment Advisory Agreement at the expense of the Manager.

Remuneration of Directors

Directors of the Fund, other than directors who are members of the Sponsor or directors, officers or shareholders of the Manager and Investment Advisor, are entitled to receive an annual fee of $36,000 in aggregate. There is no fee payable to directors for attending meetings of the Board or regular committees. The Board has the authority to award additional compensation to directors participating on any special committees as required from time to time. Directors of the Fund who are members of the Sponsor or are directors, officers or shareholders of the Manager and Investment Advisor will receive no compensation for attendance at meetings. All directors are entitled to be reimbursed for expenses incurred in attending meetings of the Board or any committee thereof.

Remuneration of Members of the Independent Review Committee

Members of the IRC are entitled to receive an annual fee of $12,000.

Manager and Investment Advisor

VL Advisors Inc. was incorporated under the laws of the Province of Ontario on August 23, 2005 and is a wholly-owned subsidiary of VL Holdings LP. On January 1, 2016, the prior owner of VL Advisors Inc., Venturelink LP was dissolved and its property distributed to VL Holdings LP. VentureLink LP acted as the Manager and VL Advisors Inc. acted as Investment Advisor to each of VentureLink Balanced Fund Inc., VentureLink Brighter Future Fund Inc., VentureLink Diversified Income Fund Inc. and VentureLink Financial Services Innovation Fund Inc. VentureLink LP assigned to VL Advisors Inc. the management agreements with each of those funds as of September 10, 2010 and the Fund and VL Advisors Inc. have entered into a new Management and Investment Advisory Agreement dated October 26, 2010 effective as of September 10, 2010. The Management and Investment Advisory Agreement replaced, in its entirety, the respective management agreements between VentureLink LP and the predecessor funds and the investment advisory agreements between VL Advisors Inc, VentureLink LP and the predecessor funds.

VL Advisors Inc. is responsible for developing and implementing all aspects of the Fund's marketing and communications strategies, developing, refining and implementing the investment strategy for the Fund, including managing all investments on behalf of the Fund. VL Advisors Inc. is also responsible for organizing the retention and supervision of various service providers of the Fund. VL Advisors Inc. is responsible for managing the relationships with registered dealers who sold Class A shares of the Fund and arranged for the payment of a 10% or a 6% sales commission to dealers originating the sales of the Class A shares, Series III and Class A shares, Series IV, respectively of the Fund. Such sales commission costs will not be charged to nor amortized by the Fund. VL Advisors Inc. has arranged for a third party to provide the financing for sales commissions for which that third party will be paid an annual Distribution Services Fee of up to 1.65% and 1.15% of the net asset value of the Class A shares, Series III and Class A shares, Series IV, respectively. The Distribution Services Fee is intended to reimburse the third party for financing and administrative costs incurred to fund the payment of the sales commissions.

VL Advisors Inc.'s primary business is managing the Fund. The principals of VL Advisors Inc. who have primary responsibility for the affairs of the Fund are W. James Whitaker and Geoffrey D. Horton, biographies for whom are set out above.

The Manager and Investment Advisor has approximately $57 million in assets under management all of which is with the Fund. Under the *Securities Act* (Ontario), VL Advisors Inc. is regarded as a promoter of the Fund. VL Advisors Inc. carries on business at 3 Church Street, Suite 602, Toronto, Ontario M5E 1M2.

Officers and Directors

The officers and directors of Advisors are as follows:

Name and Municipality of Residence	**Position with Advisors**	**Principal Occupation**
W. JAMES WHITAKER Toronto, Ontario	Chief Executive Officer and Managing Partner	Managing Partner, VL Advisors Inc.
GEOFFREY D. HORTON Toronto, Ontario	Chief Financial Officer and Managing Partner	Managing Partner, VL Advisors Inc.

For brief biographical description of W. James Whitaker and Geoffrey D. Horton, please see "Particulars of Matters to be Acted Upon - Election of Directors" above.

7. Summary of the Management and Investment Advisory Agreement

The Management and Investment Advisory Agreement outlines the services VL Advisors Inc. has to provide to the Fund, along with the terms of consideration the Fund pays VL Advisors Inc. for those services. The agreement will expire, unless terminated earlier by either party thereto in accordance with the terms of such agreement, upon the dissolution, winding-up or termination of the Fund. VL Advisors Inc. as the manager and investment advisor may terminate the agreement in the event that: (i) the Fund is in breach or default of any material provision thereof and such breach or default has not been cured within twenty business days of written notice of such breach or default to the Fund; (ii) there is a fundamental change in the investment objective, strategy or restrictions applicable to the Fund; (iii) the Fund ceases to carry on business; or (iv) the Fund becomes bankrupt or insolvent. The Fund may terminate the agreement in the event that: (i) VL Advisors Inc. is in breach or default of any material provision thereof and such breach or default has not been cured within twenty business days of written notice of such breach or default to VL Advisors Inc.; (ii) VL Advisors Inc. ceases to carry on business; or (iii) VL Advisors Inc. becomes bankrupt or insolvent. In the event that the agreement is terminated, the board of directors shall promptly appoint a successor manager to carry out the activities of VL Advisors Inc. for the Fund until a meeting of shareholders of the Fund is held to confirm such appointment.

8. Management and Investment Advisory Fees

As compensation for the services provided for and on behalf of the Fund by the Manager and Investment Advisor, the Fund pays an annual management fee of 1.25% and an investment advisory fee of 2.0% of the net asset value of the Fund, which fee is calculated and paid monthly in arrears. For the year ended December 31, 2015, management and investment advisory fees paid by the Fund and its Underlying Funds totaled $2,571,000.

9. Performance bonus

The Investment Advisor is entitled to a performance bonus (the "**Performance Bonus**") based on realized gains and cumulative performance of the investments of the Fund, other than reserves made with capital raised from the sale of Class A shares as outlined in the prospectus documents of this Fund.

For the year ended December 31, 2015, performance fees paid were $62,000. In addition, the Fund declared and paid Class P dividends of $429,000 during the year.

10. Sponsorship Fee

The Sponsor was retained by the Fund to act as sponsor to the Fund. The Sponsor holds all of the Class B Shares. The Sponsor is entitled to receive an annual fee of 0.25% of the net asset value of the Fund, which fee is paid by the Fund monthly in arrears based on the net asset value of the Fund calculated as at the end of the preceding month. For the year ended December 31, 2015, the Fund paid an aggregate sponsorship fee of $188,000.

GENERAL

Management knows of no other matters to come before the Meeting other than the matters referred to in the notice of Meeting. **HOWEVER, IF ANY OTHER MATTERS WHICH ARE NOT NOW KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING THE PROXY.**

11 Shareholders' Proposals

A shareholder intending to submit a proposal at an annual general meeting of shareholders of the Fund must comply with the applicable provisions of the CBCA. The Fund will include a shareholder proposal in the information management circular prepared for the 2017 annual general meeting of shareholders provided that such proposal is received by the Fund at the Manager's head office on or before at least 90 days prior to the anniversary date of the notice of meeting that accompanies this Circular and provided that such proposal is required by the CBCA to be included in the Fund's information circular.

BOARD APPROVAL

The contents and sending of this Circular have been approved by the directors of the Fund.

BY ORDER OF THE BOARD OF DIRECTORS OF VENTURELINK INNOVATION FUND INC.

"W. James Whitaker"

W. James Whitaker
Chief Financial Officer and Director
of the Fund

Toronto, Ontario
June 2, 2016

SCHEDULE "A"

RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF VENTURELINK INNOVATION FUND INC. THAT:

(a) if required, the Fund add on or before February 28, 2017 to the stated and paid up capital account maintained by the Fund in respect of each series of its Class A shares an amount of the Fund's capital gains, interest and other investment income earned in respect of such series for the 2016 financial year as the directors of the Fund, in their discretion, determine shall be added to the stated and paid-up capital of such series of Class A shares; and

(b) any director or officer of the Fund is hereby authorized to sign all documents and do all things necessary or desirable to give effect to this resolution.

SCHEDULE "B"

RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF VENTURELINK INNOVATION FUND INC. THAT:

a) beginning the first business day in January 2017, the Fund determine the value of its units on a weekly basis rather than each business day;

b) beginning the first business day in January 2017, the Redemption Date for redemption requests to be defined as the last business day of the week of receipt of the redemption request;

c) beginning in fiscal 2017, to provide for the settlement of redemption requests on a pro-rata basis if at the end of a week, the Fund has exercised its discretion to halt redemptions as provided for under its prospectus.;

d) any director or officer of the Fund is hereby authorized to sign all documents and do all things necessary or desirable to give effect to this resolution.

SCHEDULE "C"

DISSENT PROVISIONS FROM CANADA BUSINESS CORPORATIONS ACT

190. (1) **Right to dissent.** – Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under section 184;

(d) be continued under section 188;

(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction.

(2) **Further right.** – A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

(2.1) If one class of shares. – The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) **Payment for shares.** – In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

(4) **No partial dissent.** – A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) **Objection.** – A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

(6) **Notice of resolution.** – The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

(7) **Demand for payment**. – A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

(8) **Share certificate.** – A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(9) **Forfeiture.** – A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

(10) **Endorsing certificate.** – A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

(11) **Suspension of rights.** – On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

(12) **Offer to pay.** – A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(a) written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(13) **Same terms.** – Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

(14) **Payment.** – Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(15) **Corporation may apply to court.** – Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

(16) **Shareholder application to court.** – If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

(17) **Venue.** – An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

(18) **No security for costs.** – A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

(19) **Parties.** – On an application to a court under subsection (15) or (16)

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

(20) **Powers of court.** – On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

(21) **Appraisers.** – A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(22) **Final order.** – The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

(23) **Interest.** – A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(24) **Notice that subsection (26) applies.** – If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(25) **Effect where subsection (26) applies.** – If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(26) **Limitation.** – A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.