

It's Still a "Two Horse Race". It's Just a Change in Process.

In March 2011, GrowthWorks Canadian Fund Ltd. ("GrowthWorks" or "GW") sent VG Funds' class A shareholders ("VG Shareholders") an information circular soliciting their support and requesting them to provide a Support Agreement, which empowered GW by power of attorney to act on the VG Shareholder's behalf to: (i) requisition a VG Funds shareholder meeting(s) to consider a GW merger proposal and related matters; (ii) vote on behalf of the shareholder against merger proposals inferior to a GW merger proposal; and (iii) vote on behalf of the shareholder for a GW merger proposal "superior" to the VG Board recommended deal.

The process GW originally intended to follow is shown in the left hand column below. If GrowthWorks brings forward an alternative proposal, the new process GrowthWorks expects will be followed in light of the OSC decision is shown in the right hand column.

GrowthWorks' Originally Intended Process		Process to be Followed if GrowthWorks Makes an Alternative Proposal
<p>GW uses Support Agreement powers to Requisition VG shareholder meetings to vote on GW merger proposal.</p>	→	<p>Same. GW uses Support Agreement powers to Requisition VG shareholder meetings to vote on GW merger proposal.</p>
<p>VG Funds hold shareholder meeting to vote on VG Board recommended deal.</p> <ul style="list-style-type: none"> GW casts supporting shareholder votes against <u>if</u> VG Board recommended deal is "inferior" to GW proposal. Those VG shareholders who did not sign a Support Agreement cast their votes as they see fit. 	→	<p>VG Funds hold shareholder meeting to vote on VG Board recommended deal.</p> <ul style="list-style-type: none"> VG Board/Management solicits proxies <u>for</u>. GW would solicit proxies <u>against</u> (in relation to its alternative proposal) VG Shareholders cast their votes by returning proxies.
<p>VG Funds hold shareholder meeting (requisitioned) to vote on GW's merger proposal.</p> <ul style="list-style-type: none"> GW casts supporting shareholder votes for <u>if</u> GW proposal is "superior". Those VG shareholders who did not sign a Support Agreement cast their votes as they see fit. 	→	<p>VG Funds hold shareholder meeting (requisitioned) to vote on GW's merger proposal.</p> <ul style="list-style-type: none"> VG Board/Management (presumably) solicits proxies <u>against</u>. GW would solicit proxies <u>for</u>. VG Shareholders cast their votes by returning proxies.
<p>This process was intended to make it easier for "supporting" shareholders, empowering GW to act on their behalf on a number of matters if the GW merger proposal is "superior".</p>		<p>In this process all VG shareholders directly vote their shares by proxy on a meeting by meeting basis.</p>