

## INDEPENDENT REVIEW COMMITTEE (IRC) REPORT TO SHAREHOLDERS

The Independent Review Committee (the “**IRC**”) has been established as an advisory body by the Board of Directors of Working Opportunity Fund (EVCC) Ltd. (the “**Fund**”) to oversee decisions involving an actual or perceived “conflict of interest” faced by the Fund’s manager that arise in the operation of the Fund that fall outside the scope of policies and procedures of Fund (and disclosed in its continuous disclosure record) and that fall outside matters specifically addressed under the Employee Investment Act. Growth Works Capital Ltd. was the manager of the Fund until February 28, 2019. PenderFund Capital Management Ltd. (“**PenderFund**”) assumed management of the Fund on March 1, 2019. The IRC augments corporate governance at the Fund by providing a formal requirement for independent review that is in addition to the requirements regarding conflicts of interest under the Fund’s Governance Plan first adopted in 2007.

For greater certainty, the establishment of the IRC is not intended to cause the Fund to become subject to any requirements of securities laws which the Fund is not otherwise subject to including without limitation, provisions of National Instrument 81-102 or National Instrument 81-107.

As part of its mandate, the IRC is required to annually prepare a report to shareholders that describes the IRC and its activities during the financial year (the “**Report**”). You can obtain a copy of the Report by visiting [www.penderfund.com](http://www.penderfund.com), by calling 1-888-787-9561, or by writing to the Fund at 1830–1066 West Hastings Street, Vancouver, BC V6E 3X2. The report covers the period from January 1, 2019 to December 31, 2019.

### Members of the IRC

During December 2019 one member of the IRC passed away, and as at December 31, 2019 there were two members of the IRC as follows:

<b>Robert Cooper</b> Richmond, BC	<b>Susan Koch</b> Richmond, BC
Member Since November 2015	Member Since June 2018

There are presently three members of the IRC as follows:

<b>Robert Cooper</b> Richmond, BC	<b>Susan Koch</b> Richmond, BC	<b>Chris Reid</b> Vancouver, BC
Member Since November 2015	Member Since June 2018	Member Since March 2020

The Fund’s IRC is to be comprised of at least three members with at least two members being external to the Fund. Mr. Garry Rasmussen was appointed as a member of the IRC in November 2015 for a three-year term, re-appointed effective November 2018, and served until he passed away in December 2019. Mr. Cooper and Ms. Koch are external to the Fund. Mr. Reid is a director of the Fund and is independent of the Fund’s sponsor and PenderFund. Mr. Cooper and Ms. Koch do not have any relationship that may cause a reasonable person to question the independence of that member. Mr. Cooper was appointed as a member of the IRC in November 2015 for a three-

year term and was re-appointed effective November 2018 for an additional three-year term. Ms. Koch was appointed effective June 2018 for a three-year term. Mr. Reid was appointed effective March 2020 for a three-year term.

## Holdings of Securities

As at December 31, 2019, the members of the IRC did not beneficially own, directly or indirectly, in aggregate:

- (a) more than 10% of any class or series of shares of the Fund;
- (b) any class or series of shares of PenderFund; or
- (c) shares in any person or company that provides services to the Fund or PenderFund.

## Compensation & Indemnities

The aggregate compensation paid or payable to the members of the IRC for the period of this Report was \$12,000. Members of the Independent Review Committee receive an annual honorarium of \$3,000 and a per diem rate of \$750. The initial compensation paid to members of the IRC was set by the Fund, and there have been no changes during the period covered by the Report. There were no indemnity payments made to IRC members by the Fund during the period covered by the Report.

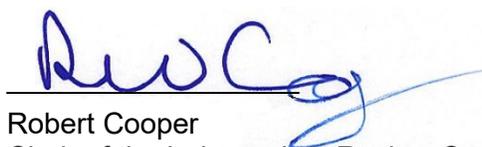
## Conflict of Interest Matters

In accordance with the IRC Charter, the IRC reviews all conflict of interest matters brought to it by the Fund's manager or the Fund. There were two conflict of interest matters referred by the PenderFund to the IRC during the period covered by the Report. The IRC considered a proposed option for the Fund to purchase or sell shares of a Fund portfolio company. The IRC determined, after reasonable inquiry, that PenderFund's recommendation achieved a fair and reasonable result for the Fund. The IRC considered a proposed change of the Fund's auditor. The IRC approved PenderFund's recommendation and the appointment of a new auditor.

The IRC is not aware of any instance in which its manager acted in a conflict of interest matter contrary to any conditions imposed by the IRC in its recommendations or for which the IRC did not give a positive recommendation. The IRC had access to independent legal advice where deemed necessary or prudent.

During the period covered by the Report the Fund's manager did not rely on any standing instructions of the IRC.

On Behalf of the IRC,



Robert Cooper  
Chair of the Independent Review Committee

March 23, 2020