



**NOTICE AND MANAGEMENT INFORMATION CIRCULAR  
FOR ANNUAL MEETING OF SHAREHOLDERS**

**OF**

**COVINGTON VENTURE FUND INC.**

**October 20, 2017**

**COVINGTON VENTURE FUND INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting (the “**Meeting**”) of the shareholders of Covington Venture Fund Inc. (the “**Fund**”) will be held at the at 36 Distillery Lane, Suite 440, Toronto, Ontario, M5A 3C4 on December 14, 2017 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the financial statements for the financial year ended July 31, 2017 for the Fund together with the auditors’ report thereon;
2. to elect the directors for the Fund for the ensuing year;
3. to appoint auditors for the Fund for the ensuing year and to authorize the directors to fix their remuneration; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

All holders of the Class A Shares of the Fund and Class B Shares of the Fund at the close of business on November 2, 2017 will be entitled to receive notice of the Meeting. If you are unable to be present at the Meeting, please date and sign the attached form of proxy and return it in the self-addressed envelope provided for that purpose. All instruments appointing proxies to be used at the Meeting must be received by CI Investments Inc. on behalf of the Fund at CI Place, 15 York Street, 2nd Floor, Toronto, ON M5J 0A3 Attn: Third Party Administrator, at any time up to **10:00** a.m. (Toronto time) on December 13, 2017 or 24 hours (excluding Saturday, Sunday and holidays) prior to the Meeting or any adjournment thereof.

The board of directors of the Fund recommend that shareholders approve the matters to be considered at the Meeting.

DATED at Toronto on October 20, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS OF COVINGTON  
VENTURE FUND INC.**

*“Philip R Reddon”*

Philip R. Reddon  
President and Chief Executive Officer

**At this Meeting the election of directors and appointment of auditors of the Fund will be approved by all shareholders of the Fund. Additionally, copies of the Fund’s most recent audited and/or interim financial statements, management reports of fund performance (“MRFPs”), and annual information form with any amendments thereto may be obtained free of charge by contacting the Manager at 36 Distillery Lane, Suite 440, Toronto, Ontario, M5A 3C4, by calling 1-866-244-4714 or by emailing [info@covingtonfunds.com](mailto:info@covingtonfunds.com), from the Internet at [www.sedar.com](http://www.sedar.com) or [www.covingtonfunds.com](http://www.covingtonfunds.com).**

## FORWARD LOOKING STATEMENTS

Statements contained herein that are not based on historical or current fact, including without limitation statements containing the words “anticipates,” “believes,” “may,” “continue,” “estimate,” “expects,” “may” and “will” and words of similar import, constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: ability to attract investment capital; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; general economic and business conditions; failure of investee companies to become successful, develop successful technology, obtain and retain qualified management, effectively respond to competition, effectively protect intellectual property; inability of the Fund, or any series of Class A Shares thereof to meet ongoing financing requirements of investee companies; ability to attract investment capital; uncertainties related to venture capital valuation; liability and other claims asserted against Fund or any series of Class A Shares thereof and investee companies of the Fund or any series of Class A Shares thereof; and other factors referenced in the Fund’s filings with the Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Fund does not assume the obligation to update any forward-looking statements, other than in accordance with applicable laws.

### MANAGEMENT INFORMATION CIRCULAR

#### 1. Solicitation of Proxies

**This management information circular (the “Circular”) is being furnished in connection with the solicitation by management of the Covington Venture Fund Inc. (the “Fund”) of proxies for use at the annual meeting of shareholders of the Fund to be held at the time and place and for the purposes set forth in the attached notice of annual meeting (the “Meeting”) or at any adjournment thereof.** The solicitation of proxies for the Meeting will be primarily by mail but proxies may be solicited by other means of delivery or by telephone by directors or officers of the Fund or Covington Capital Corporation, the manager of the Fund (“**Covington Capital**” or the “**Manager**”). The cost of the solicitation will be borne by the Fund. The information given in this Circular, unless otherwise stated, is as at **October 20, 2017**.

#### 2. Appointment of Proxyholders

The persons named in the accompanying form of proxy are directors or officers of the Fund. **A shareholder may appoint some other person as proxyholder (who need not be a shareholder or director) to attend and act on his or her behalf at the Meeting or at any adjournment thereof either by inserting the person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy.** If you are unable to attend the Meeting in person, please complete and sign the enclosed proxy and return it in the enclosed envelope in order that it is received received by CI Investments Inc. on behalf of the Fund at CI Place, 15 York Street, 2nd Floor, Toronto, ON M5J 0A3 Attn: Third Party Administration, no later than 10:00 a.m.. (Toronto time) on December 13, 2017, or 24 hours (excluding Saturday, Sunday and holidays) prior to the Meeting. If the Meeting is adjourned, if you have not already returned your signed proxy, please complete and sign the enclosed proxy and return it no later than 24 hours prior to such adjournment.

#### 3. Right of Revocation

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 a 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.

#### 4. Voting of Proxies and Exercise of Discretion

The Chairman of the Meeting may conduct a vote on any matter by a show of hands of shareholders and proxyholders present at the Meeting and entitled to vote thereat unless a ballot is demanded by a shareholder present at the Meeting or by a proxyholder 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 motions.**

The form of proxy confers discretionary authority in respect of amendments or variations to the matters identified in the notice of meeting (the “**Notice**”) and with respect to other matters which may properly come before the Meeting or any adjournment thereof.

At the time of printing this Circular, management knows of no such amendments, variations or other matters to come before the Meeting other than matters referred to in the Notice. **However, if other matters that are not known to 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 in favour by all the holders of Class A shares of the Fund (“**Class A Shares**”) and the holders of Class B shares of the Fund (“**Class B Shares**”) either in person or by proxy is sufficient to pass the matter specified in item 2 of the Notice with respect to the Class A director and Class B directors, respectively. In the case of an equality of votes, the Chairman of the Meeting shall not be entitled to a second or casting vote.

A simple majority of the votes cast in favour by all of the holders of Class A Shares and Class B Shares either in person or by proxy is sufficient to pass the matter specified in item 3 of the Notice. In the case of an equality of votes, the Chairman of the Meeting shall not be entitled to a second or casting vote.

#### 5. Voting Shares and Principal Holders Thereof

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

	<b>Class of Shares and Series</b>	<b>Authorized Number of Shares</b>	<b>Issued and Outstanding Number of Shares as of October 20, 2017</b>
Covington Venture Fund Inc.	Class A Series VII	Unlimited	155,291
	Class A Series VIII	Unlimited	102,868
	Class A Shares VIII-B	Unlimited	48,860
	Class A Shares IX	Unlimited	394,301
	Class A Shares IX-B	Unlimited	120,308
	Class B Shares		600

At the Meeting, holders of all classes of shares are entitled to one vote per share, except in the case of a class or series vote.

In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Fund has fixed the close of business on November 2, 2017 as the record date for the purpose of determining shareholders entitled to receive the Notice. All shareholders of record as at the close of business on the record date, as specified in a list prepared as of the record date, will be entitled to vote at the Meeting.

At the date of this Circular, to the knowledge of management, no person or company owns of record, and management knows of no person or company who owns beneficially or controls or directs, 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 Covington Capital beneficially own, directly or indirectly, less than 1% of the issued and outstanding Class A Shares of the Fund. The Canadian Federal Pilots Association (“**CFPA**” or the “**Sponsor**”), the sponsor of the Fund, owns indirectly, through its wholly-owned subsidiary CPFA Sponsor Inc., all 600 (or 100%) of the issued and outstanding Class B Shares.

## PARTICULARS TO BE ACTED UPON

### **6. Annual Meeting Business**

#### **6.1. Presentation of Financial Statements**

The financial statements for the year ended July 31, 2017 for the Fund and the auditors' reports thereon, each of which are contained in the Fund's annual report (the "**Financial Statements**"), will be placed before the Meeting. Copies of the Financial Statements will be sent to those shareholders that have requested to receive them pursuant to securities legislation.

Copies of the Financial Statements and annual and interim management reports of fund performance ("**MRFP**") which contain financial information about the Fund and all series of Class A Shares thereof may be obtained from Covington Capital at 36 Distillery Lane, Suite 440, Toronto, Ontario M5A 3C4 or by telephoning 416-365-0060 or toll free 1-866-244-4714 or by visiting the website of the Fund or SEDAR at [www.sedar.com](http://www.sedar.com).

#### **6.2. Election of Directors**

The board of directors of the Fund (the "**Board**") is presently set at seven (7) directors, all of whom are deemed to retire at the Meeting but are eligible for re-election. Management proposes that seven (7) directors be elected for the ensuing year.

The articles of the Fund ("**Articles**") provide that the holders of Class A Shares are entitled, as a class, to elect one director and the holders of Class B Shares are entitled, as a class, to elect the remaining directors, 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 holders of the Class B Shares are entitled, as a class, to elect six (6) directors and the holders of the Class A Shares are entitled, as a class, to elect one (1) director.

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.

CFPA Sponsor Inc., a wholly-owned subsidiary of CFPA, as the holder of all of the Class B Shares is entitled to elect the remaining number of directors not elected by the holders of the Class A Shares, 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. The CFPA has agreed with the Fund that it, or its nominee, will elect as directors of the Fund three (3) persons who are either members or designates of the CFPA and three (3) persons nominated by Covington Capital. To the extent that additional directors are elected by the CFPA, the CFPA and Covington Capital nominate them jointly. For the meeting the CFPA will elect six (6) persons as directors.

The following table and the notes thereto state the names of such persons, their municipality of residence, other positions and offices with the Fund now held by them, their principal occupations or employment, their periods of service as directors of the Fund 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. The Fund has an Audit and Valuation Committee and, if elected, the proposed directors will sit on these Committees as indicated in the table.

<b>Name and Municipality of Residence</b>	<b>Major positions with the Fund</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Class A Shares Beneficially Owned as at October 20, 2017</b>
Donald Bujold <sup>(*)</sup> (1) Nepean, Ontario	Director of the Fund	Retired Union Executive	January 6, 2006	Nil
Scott D. Clark <sup>(*)</sup> (2) Toronto, Ontario	Director of the Fund	President and CEO of Covington Capital	November 22, 2007	Nil
Dennis Dunster <sup>(*)</sup> (1) Ottawa, Ontario	Director of the Fund	Retired Union Executive	January 6, 2006	Nil
John R. Mott <sup>(*)</sup> (2) Toronto, Ontario	Member of the Audit and Valuation Committee and Director of the Fund	Chartered Accountant in Private Practice	January 6, 2006	Nil
Philip R. Reddon <sup>(*)</sup> (2) Burlington, Ontario	Chief Executive Officer, President and Director of the Fund, Member of the Audit and Valuation Committee	Managing Director of Covington Capital	September 21, 2007	Nil
Iain A. Robb <sup>(**)</sup> Toronto, Ontario	Member of the Audit and Valuation Committee and Director of the Fund	Lawyer in Private Practice	January 6, 2006	Nil
Gregory McConnell <sup>(*)</sup> (1) Ottawa, Ontario	Director of the Fund	Chairman of the CFPA	July 1, 2015	Nil

(\*) Class B Nominee

(1) Nominee of CFPA

(2) Nominee of Covington Capital

(\*\*) Class A Nominee

### **Biographical Information for Nominees to the Funds' Boards of Directors**

The following is a brief biographical description, including principal occupation for the last five years, of each of the directors and officers of the Fund:

**Donald Bujold** was the President of B&D Labour Consultants Inc. until July 2005. Up until the end of 2002, Mr. Bujold served as the Department Head of the United Steel Workers' of America, which position he held since 1999. Mr. Bujold was elected the National President of the Transportation-Communications Union ("TCU"), the predecessor of the United Steel Workers of America, in 1995. During the period from 1987 to 1995, Mr. Bujold was the National Secretary-Treasurer of the TCU and from 1995 to 1999 he was the President of the TCU. Mr. Bujold has been a member of the TCU for over thirty-five years and was formerly General Chairman of the TCU Eastern Rail Division, representing members employed in CP Rail, CN Rail and other smaller railroads in Eastern Canada.

**Scott D. Clark** is President, CEO and director of Covington Capital. Mr. Clark joined Covington Capital in March 2001 as a Vice-President, Investments and has over 26 years of experience in the financial services industry, the last nineteen of which have been in the private equity field. Mr. Clark was appointed as CEO and President of Covington Capital in September 2007. Mr. Clark is responsible for assessing new business opportunities, negotiating and structuring transactions and advising investee companies.

**Dennis Dunster** was the Executive Vice-President of B&D Labour Consultants Inc. until July 2005. Up until the end of 2002, Mr. Dunster served as a Staff Representative of the United Steelworkers of America, which position he held since 1999. Mr. Dunster was elected the Executive Vice-President of the TCU, the predecessor of the United Steelworkers of America, in 1993. Mr. Dunster has been a member of the TCU for over twenty-five years representing members in the trucking and airline industries throughout Canada.

**John R. Mott** is a chartered accountant and an income tax specialist in private practice. He has an Honours Bachelor of Commerce degree from Lakehead University and a Masters of Business Administration from the University of Toronto. Mr. Mott has tutored for several years at the In-Depth Tax Course, the tax specialist-training program sponsored by the Canadian Institute of Chartered Accountants. He is a member of the Canadian Tax Foundation and has contributed to the Canadian Tax Journal and the Financial Post Magazine. Mr. Mott was a senior tax manager with the accounting firm of Ernst & Young prior to starting his own accounting practice in 1994.

**Philip R. Reddon** is the Managing Director of Covington Capital. Mr. Reddon joined Covington Capital in 2002 as Vice-President, Investments and has more than 20 years experience as an investment professional. As Managing Director, Mr. Reddon is responsible for assessing new business opportunities, negotiating and structuring transactions and advising investee companies.

**Iain A. Robb** is a lawyer in private practice. Prior to forming his own practice in July 2015, Mr. Robb was a partner of the law firm Gowling Lafleur Henderson LLP, where he was a member of the corporate finance department. Mr. Robb's practice is restricted to corporate and securities matters with a particular emphasis on mutual funds, corporate acquisitions and divestitures of entrepreneurial businesses. 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 was a director each of the six predecessor corporations that were amalgamated to form the Fund.

**Gregory 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 Regional and Headquarters Civil Aviation Inspector responsible for Aircrew Licensing, Air Taxi and Commuter Airlines, and National Air Operation Certification with Transport Canada in Ottawa, Ontario. Prior to that Mr. McConnell was a Captain with Domestic and International Airlines.

The Fund has an Audit and Valuation Committee in place whose members are Messrs. John R. Mott, Philip R. Reddon and Iain A. Robb.

Pursuant to the requirements of National Instrument 81-107 - *Independent Review Committees for Investment Funds*, the Fund has an independent review committee whose current members are: Henry J. Pankratz (Chair), R. Scott Colbran and Terrence Kulka. The current members were appointed on October 18, 2012.

### **6.3. Appointment of Auditors**

The persons designated in the enclosed form of proxy intend to vote for the reappointment of Ernst & Young LLP, EY Tower, 100 Adelaide Street West, P.O. Box 1, Toronto, Ontario M5H 0B3, as auditors the Fund and to authorize the Board to fix the auditors' remuneration. Ernst & Young LLP was first appointed as auditors of the Fund at its inception.

## **OTHER MEETING BUSINESS**

### **7. Other Matters Which May Come Before the Meeting**

Management of the Fund knows of no matters to come before the Meeting other than as set forth in the notice of meeting. **If any other matters which are not known to management should properly come before the Meeting, the persons named on the enclosed form of proxy are authorized to vote in accordance with their discretion on such matters.**

## **OTHER INFORMATION ABOUT COVINGTON VENTURE FUND INC.**

### **8. Directors of the Fund**

For information about the directors, please see the section entitled "Election of Directors" under "Annual Meeting Business".

## 9. Executive Compensation

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 of the Fund are to be provided by Covington Capital under the Management Agreement (defined below) at the expense of Covington Capital.

## 10. Directors Compensation

Directors of the Fund, other than directors who are members of the Sponsor or directors, officers or shareholders of Covington will be entitled to receive an annual fee of \$7,500 and a fee of \$1,000 for each meeting of the Board or any committee thereof attended of the Fund. Directors of the Fund who are members of the Sponsor or are directors, officers or shareholders of Covington will receive no compensation for attendance at meetings. The directors of the Fund will be entitled to be reimbursed for expenses incurred in attending meetings of the board of directors or any committee of the Fund. The compensation paid to the directors for the Fund's most recently completed financial year is summarized below:

Director	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Donald Bujold	9,500	-	-	-	-	-	9,500
Scott D. Clark	Nil	-	-	-	-	-	Nil
Dennis Dunster	9,500	-	-	-	-	-	9,500
John R. Mott	14,500	-	-	-	-	-	14,500
Philip R. Reddon	Nil	-	-	-	-	-	Nil
Iain A. Robb	16,500	-	-	-	-	-	16,500
Gregory McConnell	Nil	-	-	-	-	-	Nil

The compensation paid to the members of the Fund's independent review committee for the Fund's most recently completed financial year is summarized below:

Director	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Henry J. Pankratz	7,250	-	-	-	-	-	7,250
R. Scott Colbran	6,827	-	-	-	-	-	6,827
Terrence Kulka	7,910	-	-	-	-	-	7,910

The Fund does not have any other compensation plans (including in respect of a termination of employment or a change in responsibilities following a change of control) or any stock option plans for its executive officers or directors.

## 11. Management of the Fund

### Covington Capital – The Manager

Covington Capital was established in 1994 to act as manager of Covington Fund I Inc. Since that time Covington Capital has taken on management responsibilities for a number of labour sponsored investment funds in Ontario. Covington Capital is a wholly-owned subsidiary of RC Capital Management Inc. (“**RC Capital**”) RC Capital is owned equally by two trusts of which Scott D. Clark and Philip R. Reddon are the sole trustees. The head office of Covington Capital is at 36 Distillery Lane, Suite 440, Toronto, Ontario M5A 3C4.

#### *Officer’s and Directors*

The name, municipality of residence and office of each of the directors and officers of Covington Capital are set out below:

<b>Name and Municipality of Residence</b>	<b>Position with Covington Capital</b>
Scott D. Clark Toronto, Ontario	Director, President and Chief Executive Officer
Philip R. Reddon Burlington, Ontario	Director and Managing Director
Stephen G. Campbell Toronto, Ontario	Chief Financial Officer

Covington Capital was appointed by the Fund to provide management services to the Fund pursuant to an agreement between the Fund and Covington Capital (the “**Management Agreement**”), which was effective as of January 6, 2006. Covington Capital is paid various management fees for managing the remaining series of Class A Shares of the Fund from which Covington Capital will pay the investment advisory fees referenced below. Covington Venture Fund Series I,II,III,IV,V was wound up in fiscal 2014 and Series VI was wound up in fiscal 2016. The management fee is 1.25% of the net asset value of each of the Class A Shares, Series VII, Class A Shares, Series VIII and Class A Shares, Series IX, calculated and paid monthly in arrears. Covington will also be paid an amount equal to the service fee payable to dealers in respect of each of the series of Class A Shares. The head office of the Manager is located at 36 Distillery Lane, Suite 440, Toronto, Ontario, M5A 3C4.

The Management Fees accrued or paid to Covington Capital during the most recently completed financial year were \$142,000 for Class A Shares, Series VII, VIII, VIII-B, IX and IX-B. In certain circumstances, the Management Agreement provides for Covington Capital to receive a performance bonus For the year ended July 31, 2017, the Fund did not accrue or pay any performance bonus in any Series Covington Capital agreed to act as the Fund’s investment advisor in an investment advisor agreement (the “**Investment Advisor Agreement**”) with the Fund which became effective as of January 6, 2006. In the Investment Advisor Agreement, Covington Capital agreed to identify, examine and screen investment opportunities, to make investments which are within the statutory guidelines, to structure and negotiate prospective investments, to monitor the performance of the investment portfolio and to determine the timing, terms and method of disposing of investments in the investment portfolio. Covington Capital will manage the Fund’s investment portfolio in a manner consistent with the investment objective, policies and restrictions of the Fund pursuant to the Investment Advisor Agreement.

Covington Capital paid certain sales commissions to registered dealers with respect to the sale of the Class A Shares, Series VIII, VIII-B, IX and IX-B and the Fund remunerated Covington Capital for the payment of such commissions and the maintenance of those relationships. For distribution services provided to the Fund and for the maintenance of these relationships, the Fund will pay Covington Capital a monthly distribution services fee equal to 0.160% (1.92% annually) and 0.096% (1.152% annually) of the original issue price of the Class A Shares, Series IX and IX-B and Class A Shares, Series VIII and VIII-B, respectively, issued and outstanding during that

month. The Distribution Services Fee is paid to Covington for eight years following the sale of each Class A Share, Series IX and IX-B and Class A Share, Series VIII and VIII-B sold prior to the amalgamation of the Fund.

Total distribution services fees accrued or paid to Covington Capital during the most recently completed financial year were \$22,000.

For Class A Shares, Series IX and IX-B, a total commission of 10% of the original issue price for each Class A Share, Series IX and IX-B subscribed for pursuant to subscriptions procured by registered dealers and accepted by the Fund was paid to registered dealers selling Class A Shares, Series IX and IX-B of the Fund. The commission consisted of a 6% sales commission paid by the Fund plus an additional 4% commission paid by the Fund. The 4% commission is in lieu of any service fees payable before the eighth anniversary of the date of issue of the shares of the Fund. Covington reimbursed the Fund for the commission paid by the Fund pursuant to subscriptions for Class A Shares, Series IX-B accepted until this series ceased offering on March 31, 2008. Covington reimbursed the Fund for the commission paid by the Fund pursuant to subscriptions for Class A Shares, Series IX accepted when the series reopened from October 16, 2008 to March 31, 2009.

For Class A Shares, Series VIII and VIII-B sold, a total commission of 6% of the original issue price for each Class A Share, Series VIII and VIII-B subscribed for pursuant to subscriptions procured by registered dealers and accepted by the Fund is paid by the Fund. Covington reimbursed the Fund for the commission paid by the Fund pursuant to subscriptions for Class A Shares, Series VIII-B accepted until this series ceased offering on March 31, 2008. Covington reimbursed the Fund for the commission paid by the Fund pursuant to subscriptions from Class A Shares, Series VIII accepted when the series reopened from October 16, 2008 to March 31, 2009.

## **12. Fund Administrator**

CI Investments Inc. (the “**Fund Administrator**”) provides administration, reporting, shareholder relations and transfer agency services to the Fund pursuant to a fund administrator agreement with the Fund (the “**Fund Administrator Agreement**”). The Fund Administrator Agreement provides that the Fund Administrator is to receive an annual fee of 0.60% of the net asset value of Fund. For the year ended July 31, 2017, total fees of \$70,000 were paid or payable to the Fund Administrator pursuant to the Fund Administrator Agreement. The head office of the Fund Administrator is located at CI Place, 15 York Street, Toronto, ON M5J 0A3. The Fund Administrator also provides marketing support and administrative services to Covington Fund II Inc., another labour sponsored investment fund corporation managed by the Manager.

## **13. The Sponsor**

The Fund has entered into a sponsorship agreement (“**Sponsorship Agreement**”) with the CFPA retaining it to act as sponsor of the Fund and the holding and voting of Class B Shares of the Fund. A copy of the Sponsorship Agreement is found on SEDAR under the Fund’s profile and is described in the Fund’s most recent annual information form at [www.sedar.com](http://www.sedar.com). For the year ended July 31, 2017, total fees of \$6,000 were paid or payable to the Sponsor pursuant to the Sponsor Agreement.

## **14. Interests of Insiders in Material Transactions**

Certain of the senior officers and directors of the Fund are also directors and/or senior officers of the Manager. Certain directors of the Fund are also senior officers of the Sponsor. The Fund has agreed to pay certain fees to each of the Manager, the Investment Advisor, Fund Administrator and the Sponsor in respect of services provided to the Series by those entities.

## **15. Additional Information**

Additional information relating to the Fund, including the Fund’s financial statements, MRFP and Annual Information Form, is available on SEDAR at [www.sedar.com](http://www.sedar.com) or at [www.covingtonfunds.com](http://www.covingtonfunds.com). Financial information will be provided in the Fund’s comparative financial statements and MRFPs for the year ended July 31, 2017. Copies of the financial statements, MRFPs and Annual Information Forms are also available by contacting the Manager at 36 Distillery Lane, Suite 440, Toronto, Ontario M5A 3C4 or 1-866-244-4714.

**16. Directors' Approval**

The contents and sending of the notice of meeting and this management information circular have been approved by the Board.

DATED at Toronto on October 20, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS OF COVINGTON  
VENTURE FUND INC.**

*"Philip Reddon"*

Philip Reddon  
President and Chief Executive Officer

