

THE BUSINESS, ENGINEERING, SCIENCE & TECHNOLOGY DISCOVERIES FUND INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the shareholders of The Business, Engineering, Science & Technology Discoveries Fund Inc. (the “**Fund**”) will be held at the offices of McMillan LLP, Brookfield Place, 181 Bay Street, Suite 4400, Toronto, Ontario on March 28, 2014, at 10:00 a.m. (Toronto time) for the following purposes:

- (i) to receive the annual report and the financial statements of the Fund for the year ended September 30, 2013 and the report of the auditor thereon;
- (ii) to elect the directors of the Fund;
- (iii) to appoint the auditor of the Fund and to authorize the directors to fix its remuneration;
- (iv) for the Class A Shareholders, Class L Shareholders, Class B Shareholder and Class P Shareholders, each as a class, to consider, and, if deemed advisable, to pass, with or without variation, a special resolution (the “**Transaction Resolution**”), the full text of which is set out in Appendix “A” to the accompanying Management Proxy Circular (the “**Circular**”), authorizing and approving the sale of all or substantially all of the property of the Fund to Tier One Capital Limited Partnership (the “**Limited Partnership**”) and all related steps, transactions and other related matters (on the terms more particularly described in the Circular, the “**Proposed Sale**”), the amendment to the Fund’s Articles (“**Articles Amendment**”) to provide for a redemption in kind and related matters (the Proposed Sale, Articles Amendment and all related steps, transactions and other related matters, on the terms more particularly described in the Circular, the “**Transaction**”);
- (v) to consider, and, if deemed advisable, to pass, with or without variation, a special resolution (the “**Stated Capital Resolution**”) authorizing the addition of certain amounts to the stated capital accounts maintained by the Fund in respect of its Class A Shares and Class L Shares; and
- (vi) to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this Notice of Annual and Special Meeting of Shareholders are the Circular and either a form of proxy that can be used by registered holders of Class A Shares, Class L Shares, Class B Shares, Class P Shares or a voting instruction form that can be used by non-registered holders of Class A Shares and Class L Shares.

The board of directors of the Fund has fixed the close of business on February 14, 2014 as the record date for determining the holders of record of Class A Shares, Class L Shares, Class B Shares and Class P Shares who are entitled to receive notice of the Meeting and to attend and vote at the Meeting, or any adjournment(s) or postponement(s) thereof.

Registered shareholders may exercise their right to vote at the Meeting by attending the Meeting or by completing the form of proxy. Registered shareholders who are entitled to vote and who are unable to attend the Meeting in person are requested to date and sign the enclosed proxy for any Class A Shares, Class L Shares, Class B Shares or Class P Shares held by them. Non-registered shareholders should follow the instructions contained in the voting instruction form delivered to them in order to vote their shares.

Registered holders of Class A Shares and Class L Shares have the right to dissent in respect of the Transaction Resolution and, if the Transaction becomes effective and upon strict compliance with the dissent procedures, to be paid the fair value of their Class A Shares and Class L Shares, as applicable, in accordance with Section 190 of the *Canada Business Corporations Act*. This right of dissent is described in the accompanying Circular. Failure to strictly comply with the dissent procedures set out in the accompanying Circular may result in the loss or unavailability of any right of dissent. Beneficial owners of Class A Shares and Class L Shares registered in the name

of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that **ONLY A REGISTERED OWNER OF SHARES IS ENTITLED TO EXERCISE RIGHTS OF DISSENT.**

If you are unable to attend the Meeting in person and you are a Class A Shareholder, please complete, sign, date and return the enclosed form of proxy or voting instruction form to B.E.S.T. Investment Counsel Limited, 15 Toronto Street, Suite 400, Toronto, Ontario M5C 2E3, Attention: President or complete the form by such other method as is identified, and pursuant to any instructions contained, in the form. If you are unable to attend the Meeting in person and you are a Class L Shareholder, please complete, sign, date and return the enclosed form of proxy or voting instruction form to TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 or as otherwise provided in the form. **In order to be valid for use at the Meeting, proxies must be received by 5:00 p.m. (Toronto time) on Wednesday, March 26, 2014 or not less than the close of business two business days (excluding Saturdays, Sundays and holidays in the City of Toronto, Ontario) prior to any adjournment(s) or postponement(s) of the Meeting.**

Further information with respect to voting by proxy is included in the accompanying Circular.

DATED at Toronto, Ontario this 24th day of February, 2014.

By Order of the Board of Directors

(signed) John M.A. Richardson
Chief Executive Officer