

NORTH WEST COMPANY FUND 2007

Notice of 2008 Annual and Special Meeting of Unitholders and Management Information Circular



APRIL 25, 2008

ENTERPRISING · SINCE 1668

NOTICE OF 2008 ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the 2008 Annual and Special Meeting (the "Meeting") of holders of Trust Units ("Unitholders") of NORTH WEST COMPANY FUND (the "Fund") will be held in the Muriel Richardson Auditorium, Winnipeg Art Gallery, 300 Memorial Boulevard, Winnipeg, Manitoba on Wednesday, June 11, 2008 at 11:30 a.m. (Winnipeg time), for the following purposes:

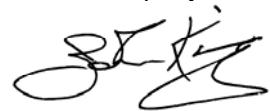
1. to receive and consider the consolidated financial statements of the Fund for the period ended January 31, 2008, and the auditor's report thereon;
2. to elect the Trustees (the "Trustees") of the Fund for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP as auditors of the Fund and the Company for the ensuing year and to authorize the Trustees to fix the remuneration of the auditors;
4. to consider and, if deemed advisable, pass a resolution approving the amended and restated unitholder rights plan of the Fund as set out under "Approval of the Amended and Restated Unitholders Rights Plan" in the management information circular dated April 25, 2008 (the "Information Circular"); and
5. to transact such other business as may properly come before the meeting or any adjournment thereof.

Information relating to items two through four above is set forth in the accompanying Information Circular dated April 25, 2008. A unitholder may attend the meeting in person or may be represented by proxy. Unitholders who are unable to attend the meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the meeting or any adjournment thereof. To be effective, the enclosed proxy must be received by the Secretary of the Fund, c/o CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, Attention: Proxy Department by 4:30 p.m. (Winnipeg time) on June 9, 2008 or, in the case of an adjourned meeting, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned meeting. Unregistered unitholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

The Trustees have fixed the close of business on April 25, 2008 (the "Record Date") as the record date for the purpose of determining unitholders entitled to receive notice of, and to attend and vote at, the meeting. Only persons registered as unitholders on the books of the Fund as of the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting.

DATED at Winnipeg, this 25th day of April 2008.

By order of the Board of Trustees
of North West Company Fund



JOHN D. KING
Vice-President, Finance & Secretary

MANAGEMENT INFORMATION CIRCULAR

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LOCATION AND TIME OF THE ANNUAL AND SPECIAL MEETING (“the meeting”)

The meeting will be held in the Muriel Richardson Auditorium, Winnipeg Art Gallery, 300 Memorial Boulevard, Winnipeg, Manitoba on Wednesday, June 11, 2008 at 11:30 a.m. (Winnipeg time).

SOLICITATION OF PROXIES

This Information Circular (this “Information Circular”) is furnished in connection with the solicitation of proxies by the Trustees (the “Trustees”, “the Board”) of North West Company Fund (the “Fund”) to be used at the Annual and Special Meeting (the “Meeting”) of the holders (the “Unitholders”) of Trust Units (the “Units”) of the Fund to be held at the time and place and for the purposes stated in the Notice of Annual and Special Meeting of Unitholders accompanying this Information Circular.

Information given herein is given as of April 25, 2008, except where otherwise indicated. The solicitation will be primarily by mail, but proxies may also be solicited by telephone or other means of communication or in person by Trustees, officers or employees of the Fund and/or The North West Company (the “Company”), a wholly owned subsidiary of the Fund, or by CIBC Mellon Trust Company, the Fund’s transfer agent. The cost of any such solicitation will be borne by the Fund.

The use of the term “the Company” may refer to either the Fund, or to the North West Company group of companies and their subsidiaries, or to the company as a whole and is used interchangeably to describe the individual entity in context of the statement being made.

The Fund, through CIBC Mellon Trust Company, has distributed copies of the Notice of Annual and Special Meeting of Unitholders, Information Circular and Form of Proxy to clearing agencies, securities dealers, banks and trust companies, or their nominees (collectively, “intermediaries”) for onward distribution to unitholders whose units are held by or in the custody of such intermediaries (“non-registered unitholders”). Such intermediaries are required to forward the documents to non-registered unitholders unless such non-registered unitholders have waived the right to receive the material.

The solicitation of proxies from non-registered unitholders will be carried out by intermediaries, the Fund or CIBC Mellon Trust Company, if the names and addresses of non-registered unitholders are provided by such intermediaries.

ADVICE TO BENEFICIAL HOLDERS OF TRUST UNITS

Unitholders who do not hold their units in their own name (referred to herein as “Beneficial Unitholders”) are advised that only proxies from unitholders of record can be recognized and voted upon at the meeting. Non-registered unitholders who wish to file proxies should follow the directions of their intermediaries with respect to the procedure to be followed. Generally, non-registered unitholders will either:

- (a) be provided with a request for voting instructions. The intermediary is required to send to CIBC Mellon Trust Company an executed form of proxy completed in accordance with any voting instructions received by it; or
- (b) be provided with a form of proxy executed by the intermediary but otherwise

uncompleted. The non-registered unitholder may complete the proxy and return it directly to CIBC Mellon Trust Company (see "Appointment and Revocation of Proxies").

All references to unitholders in this Circular and the accompanying Notice of Annual and Special Meeting are to unitholders of record unless specifically stated otherwise.

Applicable securities laws require intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should carefully be followed by Beneficial Unitholders in order to ensure that their units are voted at the meeting. Often, the form of proxy supplied to a Beneficial Unitholder is identical to that provided to registered unitholders. However, its purpose is limited to instructing the registered unitholder how to vote on behalf of the Beneficial Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation ("IICC"). IICC typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Unitholders and asks Beneficial Unitholders to return the proxy forms to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions representing the voting of the units to be represented at the meeting. A Beneficial Unitholder receiving a proxy with an IICC sticker on it cannot use that proxy to vote units directly at the meeting. The proxy must be returned to IICC well in advance of the meeting in order to have the units voted.

If you are a Beneficial Unitholder and wish to vote in person at the meeting, please contact your broker or agent well in advance of the meeting to determine how you can do so.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are Trustees.

As indicated on the form of proxy, unitholders desiring to appoint some other person (who need not be a unitholder) to represent them at the meeting may do so by inserting such person's name in the blank space provided in the form of proxy, returning the completed proxy in the envelope provided, or delivering it to the attention of the Trustees of the Fund at the address set forth below.

Unitholders of record at the close of business on the April 25, 2008 (the "Record Date") are entitled to receive notice of, and to attend and vote at, the meeting and any adjournment thereof, except to the extent such unitholder transfers any of such unitholder's units after the Record Date and the transferee of those units establishes that the transferee owns the units and demands, not later than 10 days before the meeting, that the transferee's name be included in the list of unitholders entitled to vote, in which case the transferee shall be entitled to vote the units at the meeting.

Unitholders unable to attend the meeting in person are requested to read the accompanying Information Circular and Form of Proxy and to complete, sign and date the proxy together with the power of attorney or other authority, if any, under which it was signed or a Notarial certified copy thereof with the Fund's transfer agent, CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, Attention: Proxy Department. To be effective, proxies must be received by CIBC Mellon Trust Company not later than 4:30 p.m. (Winnipeg time) on Monday, June 9, 2008 or, if the meeting is adjourned, not later than 48 hours (excluding Saturdays,

Sundays and holidays) before the time of the adjourned meeting, or any further adjournment thereof. Unregistered unitholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

REVOCAION OF PROXIES

A unitholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been held pursuant to its authority by an instrument in writing executed by the unitholder or by the unitholder's attorney duly authorized in writing or, if the unitholder is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of CIBC Mellon Trust Company or at the Fund's head office, Attention: Secretary, by no later than 4:30 p.m. (Winnipeg time) on or before the last business day preceding the day of the meeting or any adjournment thereof, or with the Chair of the meeting on the day of the meeting or any adjournment thereof. Notwithstanding the foregoing, if a registered unitholder attends personally at the meeting, such unitholder may revoke the proxy and vote in person. The head office of the Fund is located at 77 Main Street, Winnipeg, Manitoba R3C 2R1.

EXERCISE OF DISCRETION BY PROXIES

The person named in the enclosed form of proxy will vote the units, or withhold the units from voting, in respect of which he/she is appointed in accordance with the direction of the unitholder appointing him/her. In the absence of such direction, such units will be voted in favour of each of the matters referred to in the Notice of Annual and Special Meeting of Unitholders.

The enclosed form of proxy confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the meeting.

As at the date of this Information Circular, the Trustees know of no such amendments, variations, or other matters to come before the meeting other than the matters referred to in the Notice of Annual and Special Meeting of Unitholders.

VOTING UNITS, RECORD DATE AND PRINCIPAL HOLDERS THEREOF

The issued and outstanding capital of the Fund as at the Record Date consists of 48,378,000 units to which are attached voting rights.

At all meetings of the unitholders, each unitholder is entitled to one vote for each unit registered in his/her name on the books of the Fund. Every question coming before the meeting shall, unless otherwise required by law or otherwise, be determined by the majority of votes duly cast on the question.

Unitholders of record as of the record date shall be entitled to receive notice of, and to attend and vote at, the meeting.

As at April 25, 2008 to the knowledge of the Trustees, CIBC Global Asset Management Inc. beneficially owns, directly or indirectly, or exercises control or direction over approximately 18% of the Fund's outstanding units.

PARTICULARS OF MATTERS TO BE ACTED UPON

Unitholders will be asked:

- (1) to receive and consider the consolidated financial statements of the Fund for the period ended January 31, 2008, and the auditor's report thereon; and
- (2) to elect the Trustees (the "Trustees") of the Fund who will serve until the end of the next Annual Meeting of Unitholders; and
- (3) to appoint PricewaterhouseCoopers LLP as auditors of the Fund and the Company for the ensuing year and to authorize the Trustees to fix the remuneration of the auditors; and
- (4) to consider and, if deemed advisable, pass a resolution approving the amended and restated unitholder rights plan of the Fund as set out under "Approval of the Amended and Restated Unitholders Rights Plan" in the management information circular dated April 25, 2008 (the "Information Circular").

As at the date of this Management Information Circular, management is not aware of any changes to these items and does not expect any other items to be brought forward at the meeting. If there are any changes or new items, unitholders can vote their units as they see fit.

Receiving the Consolidated Annual Financial Statements

Our 2007 Annual Report has been prepared and sent to registered unitholders and beneficial unitholders who requested it. Management will review the consolidated financial results at the meeting and unitholders and proxy holders will be given an opportunity to discuss these results with management.

Electing Trustees

This year the Board has determined that 10 Trustees will be proposed for election at the Annual and Special Meeting of Unitholders. Please see below *About the Nominated Trustees* for more information.

The following are the nominated Trustees:

Ian Sutherland
Edward S. Kennedy
David G Broadhurst
Frank J. Coleman
Wendy F. Evans
R. J. (Bob) Kennedy
Gary J. Lukassen
Keith G. Martell
James G. Osborne
H. Sanford (Sandy) Riley

All of the nominated Trustees are already Trustees of the Fund, and were elected as Trustees at the Annual Meeting of Unitholders on June 5, 2007.

Appointing Auditors

Unitholders can vote on the appointment of the auditors and on authorizing the Board of Trustees to set the auditor's compensation. The Board recommends that the Company's current auditors, PricewaterhouseCoopers LLP, be reappointed as auditors. PricewaterhouseCoopers LLP were first appointed as auditors of the Company on June 10, 1987, and as auditors of the Fund as of January 31, 1997.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the resolution reappointing PricewaterhouseCoopers LLP as the auditors of the Fund, unless a unitholder has specified in the proxy that their units are to be withheld from voting in favour of the resolution.

Approval of the Amended And Restated Unitholder Rights Plan

Background

At the meeting, unitholders will be asked to approve the Fund's amended and restated Unitholder Rights Plan (the "Rights Plan"). The Fund's original Unitholder Rights Plan (the "Original Rights Plan") was first implemented under an agreement dated March 27, 1997 between the Fund and CIBC Mellon Trust Company, as amended by amending agreements dated March 13, 2002 and June 30, 2005. The Original Rights Plan is the Fund's current Unitholder rights plan.

The Rights Plan provides that it must be approved by Independent Unitholders. "Independent Unitholders" means, generally, the holders of units excluding: (i) any Acquiring Person; (ii) any Person making a Take-over Bid; (iii) any Affiliate or Associate of a Person referred to in clause (i) or (ii) above; (iv) any Person acting jointly or in concert with a Person referred to in clause (i) or (ii) above; and (v) a Person who is a trustee of any employee benefit plan, Unit purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Fund or a subsidiary of the Fund, unless the beneficiaries of the plan or trust direct the manner in which the units are to be voted or direct whether the units are to be tendered to a Take-over Bid.

To the knowledge of the Fund, as of the date of this Information Circular, all unitholders are currently Independent Unitholders and, accordingly, to the knowledge of the Fund, all unitholders will vote on the approval of the Rights Plan.

The Fund reviewed the Original Rights Plan for conformity with current practices of publicly traded Canadian issuers with respect to securityholder rights plan design and recommendations for securityholder rights plans under the proxy voting guidelines of institutional investors. A number of changes have been made to the Original Rights Plan so as to bring the Rights Plan into conformity with current industry practice and the recommendations for securityholder rights plans under proxy guidelines of institutional investors.

A summary of the key features of the Rights Plan is attached as Appendix "A" to this Information Circular. All capitalized terms used in this section of this Information Circular and in Appendix "A" have the meanings set forth in the Rights Plan, unless otherwise indicated. The complete text of the Rights Plan is available to any unitholder on request from the Fund at 77 Main Street, Winnipeg, Manitoba R3C 2R1, by calling 204-934-1504, by e-mail request to mnoakes@northwest.ca.

Recommendation of the Board of Trustees

The Board of Trustees has determined that it continues to be in the best interests of the Fund and the holders of its units that the Fund have a Unitholder rights plan, in the form of the Rights Plan, **Accordingly, the Board of Trustees unanimously recommends that the unitholders vote in favour of the approval of the Rights Plan.**

The Fund has been advised that the Trustees and senior officers of the Fund intend to vote all units held by them in favour of the confirmation and approval of the Rights Plan.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the resolution approving and reconfirming the Rights Plan unless a unitholder has specified in their proxy that their units are to be voted against such resolution.

Text of Resolution

“BE IT RESOLVED, as an ordinary resolution of the Independent Unitholders of The North West Company Fund (the “**Fund**”), that

1. The Unitholder rights plan of the Fund be continued, and amended in accordance with the Amended and Restated Unitholder Rights Plan Agreement (the “**Rights Plan Agreement**”) to be entered into between the Fund and CIBC Mellon Trust Company, as rights agent, and the Rights Plan Agreement be and is hereby approved; and
2. Any Trustee or officer of the Fund be and is hereby authorized, for and on behalf of the Fund, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution.”

Vote Required

Unitholder approval of the Rights Plan is required by stock exchange rules. Under the terms of the Rights Plan, the foregoing resolution must be approved by a simple majority of 50% plus one vote of the votes cast by Independent Unitholders (generally, all unitholders other than a person who beneficially owns, or who is deemed to beneficially own, more than 20% of the issued and outstanding units, or an offeror or Acquiring Person, their Associates and Affiliates, and Persons acting jointly or in concert with the offeror or Acquiring Person) at the Meeting.

If the above resolution approving the Rights Plan is passed at the meeting, then the Fund and CIBC Mellon Trust Company will execute the Rights Plan Agreement effective as of the date the resolution is passed.

If the resolution is not passed at the meeting, the Rights Plan will not come into effect and the Original Plan will terminate and be of no further force and effect and the Fund will no longer have any form of Unitholder rights plan.

The Board of Trustees reserves the right to alter any terms of or not to proceed with the Rights Plan at any time prior to the meeting in the event that the Board of Trustees determines that it would be in the best interests of the Fund and its unitholders to do so, in light of subsequent developments.

Objectives of the Rights Plan

The primary objectives of the Rights Plan, as with the Original Rights Plan, are to ensure that, in the context of a bid for control of the Fund through an acquisition of the units, the Board of Trustees of the Fund has sufficient time to explore and develop alternatives for maximizing

unitholder value, to provide adequate time for competing bids to emerge, to ensure that unitholders have an equal opportunity to participate in such a bid and to give them adequate time to properly assess the bid and lessen the pressure to tender typically encountered by a securityholder of an issuer that is subject to a bid.

In approving the Rights Plan, the Board of Trustees considered the following concerns inherent in the existing legislative framework governing takeover bids in Canada:

- (a) **Time.** Current legislation permits a takeover bid to expire in 35 days. The Board of Trustees is of the view that 35 days may not be sufficient time to permit unitholders to consider a takeover bid and to make a reasoned and unhurried decision. The Rights Plan provides a mechanism whereby the minimum expiry period for a Takeover Bid must be 60 days after the date of the bid and the bid must remain open for a further period of 10 business days after the offeror publicly announces that the units deposited or tendered and not withdrawn constitute not less than 50% of the units outstanding held by Independent Unitholders. The Rights Plan is intended to provide unitholders with adequate time to properly evaluate the offer and to provide the Board of Trustees with sufficient time to explore and develop alternatives for maximizing unitholder value. Those alternatives could include, if deemed appropriate by the Board of Trustees, the identification of other potential bidders, the conducting of an orderly auction or the development of a restructuring alternative which could enhance unitholder value.
- (b) **Pressure to Tender.** A unitholder may feel compelled to tender to a bid which the unitholder considers to be inadequate out of a concern that failing to tender may result in the unitholder being left with illiquid or minority discounted units in the Fund. This is particularly so in the case of a partial bid for less than all units of a class, where the bidder wishes to obtain a control position but does not wish to acquire all of the units. The Rights Plan provides a unitholder approval mechanism in the Permitted Bid provision which is intended to ensure that a unitholder can separate the tender decision from the approval or disapproval of a particular takeover bid. By requiring that a bid remain open for acceptance for a further 10 Business Days following public announcement that not less than 50% of the units held by Independent Unitholders have been deposited, a unitholder's decision to accept a bid is separated from the decision to tender, lessening the undue pressure to tender typically encountered by a securityholder of an issuer that is the subject of a takeover bid.
- (c) **Unequal Treatment.** While existing securities legislation has substantially addressed many concerns of unequal treatment, there remains the possibility that control of an issuer may be acquired pursuant to a private agreement in which a small group of securityholders dispose of securities at a premium to market price which premium is not shared with other securityholders. In addition, a person may slowly accumulate securities through stock exchange acquisitions which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all securityholders. The Rights Plan addresses these concerns by applying to essentially all acquisitions of greater than 20% of the units, to better ensure that unitholders receive equal treatment.

General Impact of the Rights Plan

It is not the intention of the Board of Trustees in maintaining a Unitholder rights plan for the Fund to secure the continuance of existing Trustees or management in office, nor to avoid a bid for control of the Fund in a transaction that is fair and in the best interest of unitholders. For example, through the Permitted Bid mechanism, described in more detail in Appendix "A" to this Information Circular, unitholders may tender to a bid which meets the Permitted Bid criteria

without triggering the Rights Plan, regardless of the acceptability of the bid to the Board of Trustees. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board of Trustees will continue to be bound to consider fully and fairly any bid for the units in any exercise of its discretion to waive application of the Rights Plan or redeem the Rights. In all such circumstances, the Board of Trustees must act honestly and in good faith with a view to the best interests of the Fund and its unitholders.

Neither the Original Rights Plan nor the Rights Plan was adopted or approved in response to or in anticipation of any pending or threatened takeover bid, nor to deter takeover bids generally. As of the date of this Information Circular, the Board of Trustees was not aware of any third party considering or preparing any proposal to acquire control of the Fund. Rather, the objectives of the Rights Plan remain the same as they were for the Original Rights Plan, as summarized above.

The Rights Plan does not interfere with the day-to-day operations of the Fund. The issuance of the Rights does not in any way alter the financial condition of the Fund, impede its business plans or alter its financial statements. In addition, the Rights Plan is not initially dilutive and is not expected to have any effect on the trading of Trust Units. However, if a Flip-In Event occurs and the Rights separate from the Trust Units, as described in Appendix "A", reported earnings per Trust Unit and reported cash flow per Trust Unit on a fully-diluted or non-diluted basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-In Event may suffer substantial dilution.

The Rights Plan does not preclude any unitholder from utilizing a proxy solicitation process to promote a change in the management or direction of the Fund, and has no effect on the rights of holders of outstanding Trust Units to requisition a meeting of unitholders, in accordance with the provisions of applicable securities legislation, or to enter into agreements with respect to voting their Trust Units. The definitions of "Acquiring Person" and "Beneficial Ownership" have been developed to minimize concerns that the Rights Plan may be inadvertently triggered or triggered as a result of an overly-broad aggregating of holdings of institutional Unitholders and their clients.

In summary, the Board of Trustees believes that the dominant effect of the Rights Plan will be to enhance unitholder value and ensure equal treatment of all unitholders in the context of an acquisition of control of the Fund.

Tax Consequences of Rights Plan

The following discussion is of a general nature only and is not intended to constitute nor should it be construed to constitute legal or tax advice to any particular unitholder. Unitholders are advised to consult their own tax advisers regarding the consequences of acquiring, holding, exercising or otherwise disposing of their Rights, taking into account their own particular circumstances and applicable foreign, provincial, state and local tax laws.

Canadian Federal Income Tax Consequences

While the matter is not free from doubt, the issue of the Rights may be a taxable benefit which must be included in the income of unitholders. However, no amount must be included in income if the Rights do not have a monetary value at the date of issue. The Fund considers that the Rights, when issued, will have negligible monetary value, there being only a remote possibility that the Rights will ever be exercised.

Assuming that the Rights have no value, Canadian unitholders will not be required to include any amount in income or be subject to withholding tax under the *Income Tax Act (Canada)* (the "Tax Act") as a result of the issuance of the Rights. The Rights will be considered to have been acquired at no cost.

The holders of Rights may have income or be subject to withholding tax under the Tax Act if the Rights are exercised or otherwise disposed of.

In the unlikely event that Rights are disposed of for proceeds of disposition greater than zero, a holder thereof may realize a capital gain.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

The Trustees are not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any Trustee or executive officer of the Fund or any of its affiliated entities, anyone who has held office as such at any time since the beginning of the financial year beginning February 1, 2007, any proposed nominee for election as a Trustee, or their respective associates or affiliates, in any matter to be acted on at the Meeting.

THE FUND

The Fund is an open-ended mutual fund trust governed by the laws of the Province of Manitoba and created pursuant to a Declaration of Trust dated as of January 31, 1997 (the "Declaration of Trust"), which was amended on March 2, 1997, June 4, 1998, February 25, 2003, June 9, 2005 and June 1, 2007. The Fund is administered by a Board of Trustees. The principal and head office of the Fund is located at 77 Main Street, Winnipeg, Manitoba R3C 2R1.

The Fund is a limited-purpose trust and is restricted to:

- (a) investing in such securities as may be approved from time to time by the Trustees;
- (b) disposing of any part of the assets of the Fund;
- (c) temporarily holding cash and investments for the purpose of paying the expenses and liabilities of the Fund, paying amounts payable by the Fund in connection with the redemption of any units and making distributions to unitholders; and
- (d) undertaking such other business and activities as shall be approved by the Trustees from time to time provided that such business or activity does not result in the Fund not being considered either a "unit trust" or a "mutual fund trust" for purposes of the Income Tax Act.

TRUSTEES

The table below tells you about the nominated Trustees, along with how many Deferred Units Rights ("DUR's") under the Deferred Unit Plan and units they own. See *Compensation of Trustees* for more information. The number of DUR's that each Trustee holds has been rounded to the nearest whole number. DUR's do not carry any voting rights.

The table also states the value of the Trust Units or DUR's each Trustee needs in order to meet the unit ownership guideline for Trustees. Each Trustee is required to accumulate at least three times the value of the annual retainer in Trust Units or DUR's by the fifth anniversary of the Trustee becoming a Trustee. Each Trustee holds office until the next Annual Meeting of Unitholders or until a successor is elected or appointed. It is not expected that any of the nominated Trustees will be unable to serve as a Trustee.

According to the Fund's Declaration of Trust, there must be between seven and 11 Trustees on the Board of Trustees. The Board of Trustees determines the number of Trustees to be elected at any unitholder meeting.

ELECTION OF TRUSTEES OF THE FUND

The Declaration of Trust provides for a Board of Trustees consisting of a minimum of seven Trustees and a maximum of 11 Trustees.

It is proposed that the number of Trustees to be elected at the meeting be 10, all of whom shall hold office until the next Annual Meeting of the Unitholders of the Fund or until his or her earlier removal or resignation. All of the individuals listed under the heading "Trustees" have indicated their willingness to serve as a Trustee. Information given herein with respect to each of the current Trustees and the proposed Trustees is based upon information furnished to the Fund by each such individual.

Outlined below are the persons who are currently Trustees and all persons who are proposed to be nominated for election as Trustees, all other positions and offices within the Company and the Fund now held by them, their principal occupation or employment and the approximate number of units beneficially owned, directly or indirectly, or subject to control or direction by each of them.

Trustee Nominees



Ian Sutherland, 63
Oro Medonte, Ontario

Chairman of the Board of NWC since 1997; CEO of NWC from 1993 to 1997. For most of his career, he has been an officer of MCAN Mortgage Corporation and its predecessor, The Mutual Trust Company. Director, MCAN Mortgage Corporation, Renasant Financial Partners Ltd. (formerly Clearlink), Strongco Income Fund, and Transport Nanuk Inc. NWC Director since he participated in the founding of the Company and the purchase of Northern Stores from the Hudson's Bay Company in 1987. NWC Director from 1978 to 2007. NWF Trustee since 1997.



Edward S. Kennedy, 48
Winnipeg, Manitoba

President & CEO, NWC; Chairman & CEO, Alaska Commercial Company; Chairman & CEO, Cost-U-Less, Inc. Edward joined NWC in 1989. Director, Transport Nanuk Inc. Board member of Destination Winnipeg Inc., Red River College, the Winnipeg Poverty Reduction Council and the Advisory Board of the Richard Ivey School of Business (University of Western Ontario). In June 2006, Edward was presented with the Retail Council of Canada's "Distinguished Canadian Retailer of the Year" award. In October 2007, he was presented with the University of Alberta School of Retailing's "Henry Singer Award" for exceptional leadership in the retail sector. NWC Director from 1989 to 2007. NWF Trustee since 2005.



David G. Broadhurst, 66
Toronto, Ontario

Member of:
Audit Committee
Pension Supervisory Committee

President of Poynton Investments Limited; President & COO of Reeve Court Insurance Limited (Bermuda) from 1998 to 2001; Investment Banker with First Marathon Securities Limited from 1996 to 1998; previously spent his entire career with Price Waterhouse Canada retiring in 1996 as the Senior Tax Partner. Director, MCAN Mortgage Corporation. NWC Director from 2005 to 2007. NWF Trustee since 1997.



Frank J. Coleman, 54
Corner Brook, Newfoundland and Labrador

Member of:
Governance and Nominating Committee (Chair)
Human Resources and Compensation Supervisory Committee

President & CEO of the Coleman Group of Companies since 1989. Chair, President & CEO of Humber Capital Corporation; President & CEO of Humber Valley Paving Ltd. Director, Canadian Council of Grocery Distributors and United Grocers Inc. NWC Director from 1999 to 2007. NWF Trustee since 2005.



Wendy F. Evans, 57
Toronto, Ontario

Member of:
Audit Committee
Human Resources and Compensation Supervisory Committee

President, Evans and Company Consultants Inc. since 1987 providing international marketing, financial and management services. Adjunct Professor, Ted Rogers School of Retail Management, Ryerson University, and author of "Border Crossings", a book dealing with doing business in the United States. Director, Sun Life Financial Trust, Canadian Cancer Society; Chair, Granite Club; Corporate Cabinet Member, Conservation Foundation. Served on the Advisory Board of the Ontario Retail Sector Strategy. NWC Director from 2005 to 2007. NWF Trustee since 2005.



Robert J. Kennedy, 58
Winnipeg, Manitoba

Member of:
Governance and Nominating Committee
Human Resources and Compensation Supervisory Committee

Chief Executive Officer, WiBand Communications Corp. since 1999; Worldwide Business Development Executive of the IBM Corporation from 1997 to 1999; CEO and founder of PBSC Computer Training Centres from 1985 to 1997; CEO and founder of ComputerLand Western Canada from 1978 to 1987. NWC Director from 2003 to 2007. NWF Trustee since 2005.



Gary J. Lukassen, 64
Mississauga, Ontario

Member of:
Audit Committee (Chair)
Governance and Nominating Committee

Executive Vice-President and CFO of the Hudson's Bay Company (HBC) from 1989 until his retirement in 2001; Director of the HBC from 1987 to 2001; Senior Vice-President, Finance and Administration of the HBC from 1987 to 1989. Director, AbitibiBowater Inc. NWC Director from 1987 to 2007. NWF Trustee since 2005.



Keith G. Martell, 45
Saskatoon, Saskatchewan

Member of:
Audit Committee
Human Resources and Compensation Supervisory Committee

Chairman of the First Nations Bank of Canada since 1997; Executive Director of Finance of the Federation of Saskatchewan Indian Nations from 1994 to 1997; Chartered Accountant with KPMG from 1985 to 1994. Director, Public Sector Pension Investment Board of Canada, Potash Corporation of Saskatchewan Inc. and a Trustee of Flying Dust First Nation TLE Trust and Primrose Lake Settlement Trust. NWC Director from 2000 to 2007. NWF Trustee since 2005.



James G. Osborne, 66
Winnipeg, Manitoba

Member of:
Audit Committee
Pension Supervisory Committee (Chair)

Chairman of Westgate Capital Group and Managing Partner of the Vision Capital Fund LP since 1990. Chairman of a large public sector pension plan in Manitoba from 1979 to 1993; thereafter the CEO of its investment management subsidiary to the sale of such in 1999. Investment Dealer working in various capacities in Montreal, Toronto and Winnipeg with two national firms from 1965 to 1989. In addition to serving as a Director of roughly 25 corporations across Canada in the last 25 years, reflecting his pension and venture capital management responsibilities, he continues as a Director of Inspyre Solutions Inc. of Winnipeg and Lumira Capital Corp. in Toronto. NWC Director from inception in 1987 to 2007. NWF Trustee since 2005.



H. Sanford Riley, 57
Winnipeg, Manitoba

Member of:
Human Resources and Compensation Supervisory Committee (Chair)
Pension Supervisory Committee

President & CEO of Richardson Financial Group Limited since 2002; Chairman of Investors Group Inc. from 2001 to 2002; President & CEO of Investors Group Inc. from 1992 to 2001. Chancellor of the University of Winnipeg; Chairman, University of Winnipeg Foundation. Director, Molson Coors Brewing Company and James Richardson & Sons affiliated companies. NWC Director from 2003 to 2007. NWF Trustee since 2005.

About the Nominated Trustees

Information shown in this chart is as of April 21, 2008

Name	Trustee Since	Year	Trust Units Beneficially Owned or Subject to Control or Direction	Number of Deferred Unit Rights (DUR's)	Total Number of Trust Units and DUR's	Total Value of Trust Units and DUR's ⁽¹⁾ \$	Value of Trust Units / DUR's required to meet Ownership Guideline \$
David G. Broadhurst ⁽⁴⁾	1997	2007	15,000	5,597	20,597	\$395,256	\$60,000
		2006	15,000	3,285	18,285	344,307	
		Change	-	+2,312	+2,312	+50,949	
Frank J. Coleman	2005	2007	108,500	1,412	109,912	2,109,211	60,000
		2006	121,500	831	122,331	2,303,493	
		Change	-13,000	+581	-12,419	-194,282	
Wendy F. Evans	2005	2007	5,300	5,440	10,740	206,101	60,000
		2006	4,500	3226	7,726	145,481	
		Change	+800	+2,214	+3,014	+60,620	
R.J. (Bob) Kennedy ^(8,9)	2005	2007	6,000	5,549	11,549	221,625	60,000
		2006	6,000	3,229	9,229	173,782	
		Change	-	+2,320	+2,320	+47,843	
Edward S. Kennedy ⁽²⁾	2005	2007	423,425	-	423,425	8,125,526	60,000
		2006	423,352	-	423,352	7,971,718	
		Change	+73	-	+73	+153,808	
Gary J. Lukassen ⁽⁷⁾	2005	2007	14,250	4,878	19,128	367,066	60,000
		2006	14,250	3,097	17,347	326,644	
		Change	-	+1,781	+1,781	+40,422	
Keith G. Martell	2005	2007	6,000	2,637	8,637	165,744	60,000
		2006	6,000	1,488	7,488	140,999	
		Change	-	+1,149	+1,149	+24,745	
James G. Osborne ^(5,6)	2005	2007	195,000	1,609	196,609	3,772,927	60,000
		2006	195,000	1,017	196,017	3,691,000	
		Change	-	+592	+592	+81,927	
H. Sanford (Sandy) Riley	2005	2007	10,000	6,588	16,588	318,324	60,000
		2006	10,000	3,966	13,966	262,980	
		Change	-	+2,622	+2,622	+55,344	
Ian Sutherland ⁽⁴⁾	1997	2007	967,000	14,346	981,346	18,832,030	60,000
		2006	997,700	8,974	1,006,674	18,955,671	
		Change	-30,700	+5,372	-25,328	-123,641	

- (1) Closing unit price on April 21, 2008 was \$19.19
Closing unit price on April 20, 2007 was \$18.83
Closing unit price to value the DUR's on April 21, 2008 was \$19.19
Closing unit price to value the DUR's on April 20, 2007 was \$18.83
- (2) Edward Kennedy is not eligible to participate in the Deferred Units Rights Plan as he is an employee of the Company.
- (3) The average age of the nominated Trustees is 58. The mandatory retirement age for Trustees is 70.
- (4) Ian Sutherland and David G. Broadhurst serve together as directors of MCAN Mortgage Corporation.
- (5) Mr. James G. Osborne was a Director and founding member along with five others of Futureview Inc., a company that went public in January 2001 on the Winnipeg Stock Exchange using its Keystone Company Program and subsequently became listed on the TSX Venture Exchange. The shares of Futureview Inc. were suspended from trading in 2003 due to the company's failure to complete a required qualifying transaction as required by TSX Venture Exchange policy. The company was wound up in April 2004 after the external public shareholders had been returned 100 percent of their original investment and all corporate liabilities had been paid.
- (6) Mr. James G. Osborne was a Director of Jazz Golf Equipment Inc. from prior to it being a Reporting Issuer until October 6, 2006, at which time he resigned due to a disagreement as to corporate strategy being directed by the major shareholder's Trustee appointees. On October 27, 2006, the Board via press release announced approval of the sale of assets to a subsidiary of Ensis Growth Fund Inc., the largest shareholder

and creditor of Jazz, under the Bankruptcy and Insolvency Act, subsequently Court approved on November 22, 2006. The shares ceased trading on January 5, 2007.

- (7) Mr. Gary J. Lukassen was a Director of Stelco Inc. from June 2002 until March 31, 2006. On January 29, 2004 Stelco Inc. filed for and was granted Court protection under the Companies' Creditors Arrangement Act ("CCAA"). Stelco Inc. emerged from Court protection under the CCAA on March 31, 2006.
- (8) Mr. R.J. (Bob) Kennedy was a Director and officer of WiBand Corporation. In December 2001, WiBand Communications Corp. was sold to OA Group Inc. an issuer listed on the TSX Venture Exchange. Shares were exchanged and the shareholders of WiBand Communications Corp. received shares in OA Group Inc. As a condition of the share exchange, Mr. Kennedy was to be included on the management slate of the Board of Trustees of OA Group Inc. He was elected to the Board of Trustees OA Group Inc. on June 20, 2002. Upon seeing the financial condition of OA Group Inc. Mr. Kennedy resigned on July 8, 2002. OA Group Inc. went into receivership on July 15, 2002. Mr. Kennedy bought certain assets from the receiver and continues the business under the WiBand name.
- (9) Mr. R. J. (Bob) Kennedy was a Director of Jazz Golf Equipment Inc. In 2006, Jazz Golf Equipment Inc., a company listed on the TSX Venture Exchange filed a proposal under the Bankruptcy Act to sell its assets to Ensis Corporation to become a private company. Under the proposal, all creditors were to be satisfied. Mr. Kennedy resigned on November 22, 2006 from the Board. Jazz Golf Equipment Inc. was de-listed from the TSX Venture Exchange.

Meeting Attendance

The following table summarizes the attendance of the current Trustees for meetings for the financial year of the Company ended January 31, 2008. Committee membership is subject to change on an annual basis after the Annual General Meeting of Unitholders of the Fund. The table below reflects the number of meetings that a Trustee attended for the period of time they were a member of that committee. Trustees who are members of Committees are expected to attend Committee meetings.

	Board (11 Meetings) (5 Regular) (6 Special)		Audit Committee (5 Meetings)		Governance and Nominating Committee (3 Meetings)		Human Resources and Compensation Supervisory Committee (3 Meetings)		Pension Supervisory Committee (2 Meetings)		Total %
	Number	%	Number	%	Number	%	Number	%	Number	%	
David G. Broadhurst	5 of 5 6 of 6	100 100	5 of 5	100	-		-		2 of 2	100	100
Frank J. Coleman	4 of 5 5 of 6	80 83	-		1 of 1	100	3 of 3	100	1 of 1	50	88
Wendy F. Evans	5 of 5 5 of 6	100 83	5 of 5	100	-		3 of 3	100	-		95
R.J. (Bob) Kennedy	5 of 5 6 of 6	100 100	-		3 of 3	100	3 of 3	100	-		100
Edward S. Kennedy	5 of 5 6 of 6	100 100	-		-		-		-		100
Gary J. Lukassen	5 of 5 5 of 6	100 83	5 of 5	100	1 of 1	100	2 of 2	100	-		95
Keith G. Martell	5 of 5 6 of 6	100 100	5 of 5	100	2 of 2	100	1 of 1	100	-		100
James G. Osborne	5 of 5 6 of 6	100	5 of 5	100	-		-		2 of 2	100	100
H. Sanford (Sandy) Riley	4 of 5 5 of 6	80 83	-		1 of 1	100	3 of 3	100	1 of 1	100	88
Ian Sutherland	5 of 5 6 of 6	100 100	-		-		-		-		100

- The Chairman of the Board and the President & CEO are not members of any committees but attend meetings of the committees as invited guests.
- Other Trustees will also often attend committee meetings on the same basis.

STATEMENT OF FUND GOVERNANCE PRACTICES

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) were adopted in Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. In addition, the Company is subject to Multilateral Instrument 52-110 *Audit Committees* (“52-110”), which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Fund is committed to the highest standards of corporate governance. The Board of Trustees (“the Board”) and each of their committees have continued to refine the Fund’s and the Company’s governance policies and practices in light of regulatory initiatives in Canada that have been adopted to improve corporate governance.

The corporate governance practices of the Fund, and its subsidiaries and other operating entities are similar and are set out below.

Disclosure regarding the governance structure and practices of the Fund and its affiliated entities are similar and are set out below.

Composition of the Board of Trustees

The Board of Trustees currently consists of 10 Trustees. The Board of Trustees believes that 10 Trustees is appropriate for an issuer of the size of the Fund and believes that the range of expertise and skills facilitate Board effectiveness.

Of the 10 Trustees, nine are independent within the meaning of NI 58-101. Each of Ian Sutherland, David G. Broadhurst, Frank J. Coleman, R.J. (Bob) Kennedy, Gary J. Lukassen, Keith G. Martell, James G. Osborne, H. Sanford (Sandy) Riley and Wendy F. Evans is an independent Trustee. Edward S. Kennedy, the President & CEO of the Company is not independent.

The following Trustees are also directors or trustees of other reporting issuers as follows,

David G. Broadhurst	-	MCAN Mortgage Corporation
Frank J. Coleman	-	Humber Capital Corporation
Wendy F. Evans	-	Sun Life Financial Trust
Gary J. Lukassen	-	AbitibiBowater Inc.
H. Sanford (Sandy) Riley	-	Molson Coors Brewing Company
Ian Sutherland	-	MCAN Mortgage Corporation
	-	Renasant Financial Partners Ltd.
	-	Strongco Income Fund
Keith G. Martell	-	First Nations Bank of Canada
	-	Potash Corporation of Saskatchewan Inc.

At all regularly scheduled meetings of the Board of Trustees, the independent Trustees meet separately from management.

In order to ensure that the Board can function independently from management, the Fund and its affiliated entities has separated the roles of Chair of the Board of Trustees and CEO. The Chair of the Board of Trustees is Ian Sutherland, who is independent. The CEO is Edward Kennedy.

Individual Trustees may, with the consent of the Chair of the Governance and Nominating Committee, engage outside advisors at the expense of the Fund.

Committees of the Board of Trustees are authorized from time to time, and as appropriate, to retain outside advisors at the Fund's expense.

Board Mandate

The general responsibilities of the Board of Trustees is to supervise the management of the Fund's affairs and to act in the Fund's best interests and to exercise the care, skill and diligence that a reasonably prudent person would exercise in comparable circumstances. In doing so, the Board of Trustees act in accordance with the Fund's Declaration of Trust, written mandates and policies of the committees of the Trustees and the Fund's Code of Ethics and other internal policies

The Trustees are elected by the unitholders and are responsible for the stewardship of the affairs of the Fund. The Trustees discharge their responsibility through the Audit Committee and by supervising and managing the investments and affairs of the Fund. The Trustees also oversee the governance of the Fund, monitoring of financial performance and other financial reporting matters including approval and compliance with the policies and procedures by which the Fund is operated and overseeing the Fund's communications and reporting responsibilities. The Board of Trustees also supervises and advises the Human Resources and Compensation Supervisory Committee and the Pension Supervisory Committee in the Fund's affiliated entities and is responsible for the following matters:

(a) Strategic Planning Process

The Board discusses and reviews materials relating to the strategic plan with management.

The Board is responsible for reviewing and approving the strategic plan and the annual operating and capital budgets.

The Board monitors progress on the strategic plan and receives regular updates on the strategic plan and major initiatives.

The Board's approval is required for any transaction that would have a significant impact on the strategic plan.

(b) Risk Management

The Board is responsible for ensuring a process is in place that identifies the principle risks of the Fund and its affiliated entities and ensures that risk management systems are implemented.

The Board, through the Audit Committee, among other things:

- (i) reviews financial and accounting related risks;
- (ii) reviews disclosure controls and procedures and internal controls over financial reporting of the Fund and its affiliated entities;
- (iii) reviews and recommends for approval, the external auditor; and
- (iv) meets to review reports and discuss significant risk areas with the internal and external auditors.

(c) Human Resources and Compensation

The Board of Trustees through the Human Resources and Compensation Supervisory Committee is responsible to supervise and advise on matters relating to:

- (i) the appointment of the President & Chief Executive Officer of the Fund and its affiliated entities (“CEO”);
- (ii) the review and approval of the compensation programs for senior management including the Fund’s unit purchase loan plan and executive annual incentive plan;
- (iii) the evaluation of the performance of (i) the CEO; and (ii) each officer who reports to the CEO taking into account evaluations provided by the Human Resources and Compensation Supervisory Committee;
- (iv) the review and approval of compensation of the Chair of the Board of Trustees, Chairs of the committees of the Board of Trustees and of the Trustees taking into account the recommendations of the Governance and Nominating Committee; and
- (v) succession planning, including the appointment, training and monitoring of senior management.

(d) Communications and Disclosure

The Board approves all of the major communications of the Fund, including:

- (i) the quarterly and annual financial statements of the Fund and accompanying management’s discussion & analysis;
- (ii) the Fund’s annual report;
- (iii) the Fund’s annual information form;
- (iv) the Fund’s annual and quarterly press releases; and
- (v) the Fund’s annual notice of meeting and annual management information circular.

The Fund communicates with its unitholders through a number of channels including its web site.

The Board approves the Policy on Public Communication and Continuous Secondary Market Disclosure that covers the accurate and timely communication of all material information by the Fund. Unitholders can provide feedback to the Fund in a number of ways, including e-mail or calling toll-free 1-800-782-0391.

(e) Governance

The Board, through its Audit Committee, examines the effectiveness of the Fund's internal control system, including information technology security and control. The Audit Committee understands the scope of internal and external auditors review of internal control over financial reporting and obtains reports on significant findings and recommendations together with management's responses.

The Board of Trustees meets at least once each fiscal quarter, with additional meetings as required. Each Trustee has a responsibility to attend and participate in meetings of Trustees.

The Governance and Nominating Committee is responsible for considering and recommending nominees for election to the Board. This committee is also responsible for overseeing the evaluation of the Board and each Trustee. In considering nominees for election to the Board, the Governance and Nominating Committee takes into account the appropriate expertise and background to contribute to the support of the Fund's strategy and operations as well as the geographic diversity and the primary markets in which the Fund's affiliated entities operate.

The Governance and Nominating Committee is responsible for reviewing annually the structure and mandates of each committee of the Board of Trustees and assessing the effectiveness of each committee. It is also the responsibility of the Chair of the Board of Trustees to ensure its effective operation and to ensure that it discharges its responsibilities.

The Governance and Nominating Committee reviews the adequacy of, and form of compensation for the Trustees and members of committees of the Board of Trustees and recommends any changes to the compensation of the Board of Trustees and its committees. In this regard, the committee compares the Trustees' compensation to that of similar issuers.

In addition to those matters which must by law be approved by the Trustees, the Board of Trustees reviews and approves dispositions, acquisitions or investments which are outside the ordinary course of business of the Fund and its affiliated entities.

The Board of Trustees also approves changes in senior management. The Trustees have access to management of the Fund and the Fund's advisors in order to assist in their understanding of proposed actions by the Board of Trustees and the implications of voting for or against such actions.

The size of the Board of Trustees has enabled it to be extremely flexible with regard to scheduling meetings, including unplanned meetings which are called to review new opportunities. The Board of Trustees is thus able to act quickly and remain well informed at all times. The management of the Fund has been able to liaise regularly with the Board of Trustees in seeking approval for any activities outside the normal course of business.

Position Descriptions

It is the responsibility of the Chair of the Board of Trustees to ensure effective operation of the Board of Trustees and to ensure that it discharges its responsibilities.

It is the responsibility of each Chair of each committee of the Board of Trustees to ensure effective operation of the committee and to ensure that each committee discharges its responsibilities.

A position description has been developed for the CEO. The Human Resources and Compensation Supervisory Committee is responsible for reviewing and approving the corporate objectives (financial and personal) which the CEO is responsible for meeting. This committee also conducts the annual assessment of the CEO's performance against these objectives. The results of the assessment is reported to the Board of Trustees.

Orientation and Continuing Education

Trustees are given the opportunity to individually meet with senior management to improve their understanding of the operations of the Fund and its affiliated entities. For new Trustees, tours are arranged of several of the key operations of certain of the Fund's operating subsidiaries. Trustees are also provided with a reference binder that includes, among other things, information on the organizational structure of the Fund and its affiliated entities, the structure of the Board of Trustees and its committees and the policies of the Fund. On an ongoing basis, presentations are delivered on various aspects of the activities and functions of the Fund and its affiliated entities. In addition, regardless of whether a meeting of the Board is scheduled, all Trustees regularly receive information on the operations of the Fund and its affiliated entities, including a report from the CEO, a report on corporate development activities, operations reports, a financial overview and other pertinent information. All executives are available for discussions with Trustees concerning any questions or comments which may arise between meetings.

Ethical Business Conduct

The Board of Trustees has adopted a Code of Conduct that governs the behavior of its Trustees, senior management and employees. It is designed to ensure that Trustees, management and employees use independent judgment in considering transactions and agreements in respect of which an individual may have a material interest, and describes other steps taken to encourage and promote a culture of ethical business conduct. A copy of the code can be obtained by contacting the Secretary of the Fund.

Committees of the Board

The Board of Trustees has four committees who oversee the activities of both the Fund and its affiliated entities. The Chair of the Board of the Trustees is an *ex officio* non-voting member of all committees of the Board of Trustees.

Audit Committee

The current members of the Audit Committee are: Gary J. Lukassen (Chair), David G. Broadhurst, Wendy F. Evans, Keith G. Martell and James G. Osborne. Each of the members of the Audit Committee is “independent” and “financially literate” within the meaning of MI 52-110.

The committee met five times in 2007 and all members attended according to their time on the committee. Under the terms of the Audit Committee mandate, the committee is responsible for, among other things, reviewing the Fund's financial reporting procedures, internal controls, recommending the appointment of the external auditors as well as reviewing the performance of the Fund's external auditors.

The Audit Committee is also responsible for reviewing the quarterly and the annual financial statements of the Fund and related news releases and management's discussion & analysis prior to their approval by the Board of Trustees.

The Audit Committee reviews management's report on compliance with the Fund's Code of Conduct policy.

An internal auditor for the Fund and its affiliated entities reports regularly to the Audit Committee.

The Audit Committee has direct communications channels with the internal and external auditors to discuss and review specific issues as appropriate.

The Audit Committee mandate is reviewed by the Board at least annually.

The Audit Committee meets with the Fund's external and internal auditors without management at least once per year.

The external auditors are accountable to the Board and the Audit Committee, as representatives of the unitholders. The Declaration of Trust provides that the unitholders shall appoint the auditors of the Fund at each annual meeting of the unitholders.

With respect to the external auditors, the Audit Committee is responsible for:

- (a) recommending to the Board the firm of chartered accountants to be nominated for appointment as external auditors by the unitholders;
- (b) evaluating their performance;
- (c) recommending their replacement, if appropriate;
- (d) approving the proposed terms of engagement and establishing their compensation;
- (e) prior approval of any non-audit related services; and
- (f) monitoring their independence. In this regard, the Audit Committee:
 - reviews reports from the external auditors confirming their independence from the Fund and its affiliated entities;
 - reviews the non-audit services provided by the external auditors, as well as the external auditor's conclusion that the provision of those services does not prevent them from meeting the professional standards for objectivity and legal requirements for independence; and

- discusses with the external auditors any items in the written disclosure required by the Canadian Institute of Chartered Accountants General Assurance and Auditing Recommendations, Section 5751, Communications With Those Having Oversight Responsibility for the Financial Reporting Process, that might be perceived to affect the external auditors' objectivity and independence

The Audit Committee meets with the external auditors to:

- review the planned scope of the audit, the areas of special emphasis and the materiality levels proposed to be employed;
- review and approve the external auditors client services plan;
- confirm that management has not placed any restrictions on the scope and nature of planned audits; and
- review the results of the audit and discuss the external auditors' opinion on accounting controls and the quality of our financial reporting.

Management is responsible for evaluating recommendations made by the external auditors and for implementing recommendations that are accepted, including recommendations related to the Fund's system of financial internal controls.

Fees paid to the external auditors in the past two years with respect to services provided to the Fund and the Company were:

	2007	2006
Audit fees	\$298,632	\$337,808
Audit related fees ⁽¹⁾	23,056	12,297
Tax fees ⁽²⁾	249,978	257,825
Other fees ⁽³⁾	16,301	11,962
Total	\$587,967	\$619,892

⁽¹⁾ Audit related fees include store audit procedures, review of procedures for the Fund, and confirmation of compliance with senior debt covenants.

⁽²⁾ Tax compliance services and tax planning advice.

⁽³⁾ Canadian Public Accountability Board fees and advice on the reorganization of the Fund.

The full text of the Audit Committee mandate is attached as Appendix "A" to the Fund's annual information form dated April 25, 2008, a copy of which is available on SEDAR at www.sedar.com and on the Company's website www.northwest.ca.

Human Resources and Compensation Supervisory Committee

The current members of the Human Resources and Compensation Supervisory Committee are: H. Sanford (Sandy) Riley (Chair), Frank J. Coleman, Wendy F. Evans, R.J. (Bob) Kennedy, and Keith G. Martell, each of whom is "independent" within the meaning of NI 58-101.

The committee met three times in 2007 and all members attended.

The Human Resources and Compensation Supervisory Committee makes recommendations to the Board of Trustees on, among other things, executive compensation, the compensation of the CEO, and reviews other aspects of executive compensation, such as the Fund's unit compensation plans. The committee reviews and approves the total compensation philosophy of the Fund and the key elements of the program design. The Human Resources and Compensation Supervisory Committee also insures that the Fund complies with securities legislation with respect to executive compensation disclosure in its management information circulars.

The Human Resources and Compensation Supervisory Committee is permitted, without any separate approval being required, to retain consulting firms at the expense of the Fund, to assist the committee in the evaluation of the CEO and other executive Officers and in setting executive compensation.

Pension Supervisory Committee

The current members of the Pension Supervisory Committee are: James G. Osborne (Chair), David G. Broadhurst and H. Sanford (Sandy) Riley, each of whom is "independent" within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Pension Supervisory Committee has three members and met two times in 2007 and all members attended.

The Pension Supervisory Committee is responsible for overseeing matters relating to the investment policies, actuarial valuations, regulatory requirements, employee communications and performance of the Fund's pension funds.

Governance and Nominating Committee

The current members of the Governance and Nominating Committee are: Frank J. Coleman (Chair), R.J. (Bob) Kennedy and Gary J. Lukassen, each of whom is "independent" within the meaning of NI 58-101.

The committee met three times in 2007 and all members attended.

The committee recommends to the Board the size and composition of the Board and its committees, identifies and recommends suitable Trustee candidates, sets Trustee's compensation and surveys and evaluates Board performance.

The Governance and Nominating Committee is responsible for developing and recommending to the Board a set of corporate governance principles applicable to the Fund. This committee also monitors compliance with any rules, regulations, procedures or guidelines promulgated by regulatory authorities having jurisdiction over the Fund (including applicable stock exchanges) relating to corporate governance. The Board of Trustees is responsible for reviewing and approving the set of corporate governance principles recommended by the Governance and Nominating Committee.

TRUSTEE COMPENSATION

Trustees who are not officers or employees of the Company are entitled to a quarterly fee of \$5,000, a fee of \$1,000 per meeting of the Trustees attended, a fee of \$1,000 per committee meeting attended and a quarterly fee of \$1,500 for each committee on which the Trustee serves as Chair, with the exception of the Chair of the Audit Committee who receives \$2,500 to serve as Chair. The Chairman of the Fund is paid a quarterly fee of \$20,000.

Trustee fees earned in the year ended January 31, 2008 are reflected on the following chart.

Trustees	Fees Reinvested in DUR's (\$)	Fees Paid in Cash (\$)	Total Trustee Fees (\$)
Ian Sutherland	\$ 91,000	\$ -	\$ 91,000
James G. Osborne	10,000	36,000	46,000
Frank J. Coleman	10,000	27,000	37,000
David G. Broadhurst	40,000	-	40,000
H. Sanford (Sandy) Riley	44,000	-	44,000
Gary J. Lukassen	30,000	17,000	47,000
Keith G. Martell	20,000	21,000	41,000
Wendy F. Evans	37,000	-	37,000
R. J. (Bob) Kennedy	37,000	-	37,000
Total	\$ 319,000	\$101,000	\$420,000

Deferred Unit Plan

At the June 8, 2006 Annual and Special Meeting of Unitholders, the unitholders passed a resolution approving the adoption by the Fund of a deferred unit plan (the "Deferred Unit Plan") which authorized the Board of Trustees to grant awards ("Awards") of deferred units ("Deferred Units") to Trustees, other than a Trustee who is also an employee of the Fund, the Company or an affiliate of the Fund. The Fund granted 18,331 Deferred Units to Trustees in the last financial year.

The principal purpose of the Deferred Unit Plan is to enhance the ability of the Fund and the Company to attract and retain independent Trustees whose training, experience and ability contribute to the effective governance of the Fund, the Company and affiliates of the Fund and to directly align the interests of such independent Trustees with the interests of unitholders. The Deferred Unit Plan is designed to permit such independent Trustees to defer the receipt of all or a portion of the cash compensation otherwise payable to them for services to the Fund and the Company.

Under the terms of the Deferred Unit Plan, each Participant may elect to receive all or any portion of the Participant's annual retainer, Chair retainers and meeting fees (other than fees for service on a special or other *ad hoc* committee unless otherwise determined by the Board) in Deferred Units.

Participants are credited with Awards on a quarterly basis. The number of DUR's underlying an Award is calculated on the date of grant by dividing the portion of the Participant's fees that are payable to the Participant in units for the current quarter, by the fair market value of the units on the date that the Award is granted. Fair market value is the weighted average trading price of the units on the Toronto Stock Exchange for the five trading days on which the units traded immediately preceding such date.

Each Award will entitle the holder to be issued the number of units designated in the Award and such Awards will be exercisable by the Participant at any time and from time to time at the Participant's option up to but not later than December 31st of the first calendar year commencing after the date a Participant ceases to be a Trustee.

The Deferred Unit Plan provides that the maximum number of units reserved for issuance from time to time pursuant to Awards shall not exceed a number of units equal to 2% of the aggregate number of issued and outstanding units; plus the number of units issuable upon exchange of outstanding Exchangeable Securities (as defined in the Deferred Unit Plan), if any. The aggregate number of Awards granted to any single Participant shall not exceed 2% of the issued and outstanding units, calculated on an undiluted basis. In addition: (i) the number of units issuable to insiders at any time, under all security based compensation arrangements of the Fund, shall not exceed 10% of the issued and outstanding units; and (ii) the number of units issued to insiders, within any one year period, under all security based compensation arrangements of the Fund, shall not exceed 10% of the issued and outstanding units.

Deferred Unit Plan	Number of securities to be issued upon exercise of deferred units	Weighted-average issue price of deferred units	Number of securities remaining for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity Compensation Plans approved by unitholders	48,056	\$16.63	917,356

REPORT ON EXECUTIVE COMPENSATION

The Human Resources and Compensation Supervisory Committee is composed solely of independent Trustees, appointed by the Board to assist the Board in discharging its oversight responsibilities relating to human resource practices, compensation, as well as attraction and retention of key senior management employees. The Committee oversees the Company's executive compensation program on behalf of the Board of Trustees. The Committee recommends to the Board the appointment and compensation of all senior officers, including the senior officers listed in the *Summary Compensation Table* on page 31 of this management information circular.

Review of Compensation Programs and Compensation Consultant Advice

The Human Resources and Compensation Supervisory Committee engages the services of an external compensation consultant, Hewitt Associates. The mandate of the consultant is to provide service to the Company and work for the committee in its review of executive compensation practices, executive compensation design, market trends and regulatory considerations. The consultant does not recommend compensation levels. The committee is responsible for reviewing and making final decisions subject to necessary Board approval. The committee has the final authority to hire and terminate the consultant and to approve the fees of any independent compensation consultant to assist in determining compensation for executives. The consultant may perform other services for the Company, with the approval of the committee Chair.

The committee reviews and approves executive compensation levels on an annual basis. Every three years the committee conducts an in-depth review of executive compensation including its program components and a survey of compensation for similar executives in roles at other retail companies, adjusted for size and complexity of their operations. The committee is currently completing this type of review and has engaged the services of Hewitt Associates (“Hewitt”) to provide advice and counsel on executive compensation matters. The Chair of the committee has direct access to the independent consultant.

Executive compensation consultant fees paid in 2007 were as follows:

Hewitt Associates

- Executive Compensation Review \$37,707

Towers Perrin

- Alaskan Officer Market Assessment \$ 7,810

The committee recognizes that independence from management is fundamental to its effectiveness in managing executive compensation programs and during 2007 held *in camera* sessions as required.

Compensation Philosophy

Our executive compensation program applies to all of our senior officers. It is designed to:

- Attract and retain highly qualified executives;
- Motivate superior performance; and
- Align their interests with those of unitholders.

The Company’s total compensation objective is to reward its executives in the upper quartile of the market when upper quartile financial performance is achieved, as measured by average annual growth in Earnings Before Interest and Taxes (EBIT), return on net assets, cash distributions and total investor return, relative to similar-sized North American publicly traded retailers.

The executive compensation program includes three key elements:

- Annual base salary;
- Annual incentive; and
- Long term incentive through an interest free loan for the purchase of units.

The amount of annual incentive and long-term pay is dependent upon both individual and company-wide success in meeting specific performance goals, appreciation in our unit price and unit distributions. The Company’s compensation strategy is weighted towards these pay-for-performance components.

The Human Resources and Compensation Supervisory Committee guidelines with respect to each compensation element are described below:

Base Salary

Base salary compensation levels are intended to align base salaries (including benefits and perquisites) with the median of those paid by companies in the appropriate external comparator group. Actual salaries may take up to three years to reach this target median level, depending on whether an executive is new to their position or their previous position salary level.

Annual Incentive Plan

The annual incentive plan rewards the achievement of EBIT based financial performance targets, adjusted for cost of capital and unusual items. Annual incentive compensation ranges from zero, if EBIT finishes below the previous year, up to a level that matches the upper quartile paid by companies in the comparator group, if the Company achieves specific upper quartile financial objectives. This typically equates to total growth of 10-15%, comprised of cash distributions and EBIT improvement.

Target incentives for executives with overall corporate accountabilities are based 100% on achieving consolidated, adjusted EBIT targets. Those executives with accountabilities solely in the Company's Canadian or International operations have their incentives based on the EBIT targets for these business segments. Executives accountable for store banners or merchandise lines of business have their target incentives primarily focused on the performance of their business units with a small percentage (10-20%) on consolidated EBIT performance.

In 2007, the President & CEO and other Company executives were eligible to receive Annual Incentive Plan awards in the following ranges:

	% of Annual Base Salary
President & CEO	0 to 112.5 percent
Executive Vice-Presidents	0 to 90.0 percent
Vice-Presidents	0 to 75.0 percent

Long-Term Incentive Plan

The long-term incentive plan, also known as the Unit Purchase Loan Plan or "UPLP" provides loans to executives for the purpose of acquiring units of the Company. The plan aims at aligning Company executives with sustainable growth in profitability of the Fund and with our unitholders. The loans are interest-free, limited recourse, with renewable three year terms. Outstanding principal amounts are required to be paid down from after tax quarterly cash distributions on the units purchased until such time as the loan balance is less than 80% of the original principal of the loan. When the loan balance is less than 65% of the market value of the units, (80% for those loans issued prior to 2005) units can be withdrawn from the plan up to the point the remaining units in the plan fully secure the loan. The loans are secured by a pledge of such units. When an executive leaves the Company he or she has one month to settle the loan in the case of termination or six months upon retirement. Upon termination, if the value of the units is less than the outstanding loan balance the officer is forgiven the difference and receives a grossed up payment to cover the taxable benefit associated with forgiving the loan.

Executive Unit Ownership

The table below shows the market value of units held by each of the Named Executive Officers as of January 31, 2008, based on the closing price of the Fund on the TSX on January 31st and such actual ownership as a multiple of their respective base salary.

Name	Market Value of Units (\$)	Actual Ownership Multiple of Base Salary
Edward S. Kennedy	\$7,799,489	13.38
Léo P. Charrière	2,960,389	9.49
Russell J. Zwanka	1,551,553	5.23
Michael W. McMullen	1,384,300	5.65
Scott A. McKay	984,531	6.48

Compensation of the President & Chief Executive Officer

The compensation of the President & Chief Executive Officer is governed by the Company's executive compensation principles and programs described in this Report on Executive Compensation. The President & Chief Executive Officer participates in the same incentive plans as the other Named Executive Officers. The Human Resources and Compensation Supervisory Committee conducts a formal and thorough performance assessment of the President & Chief Executive Officer when recommending his compensation for a given year.

The base salary paid to the President & Chief Executive Officer in the 2007 fiscal year was \$590,000 effective May 1, 2007. The Chief Executive Officer's target annual incentive compensation for 2007 was 75% of base salary to a maximum of 1.5 times target or 112.5% of base salary. His annual incentive payment is made on the basis of achieving the Consolidated EBIT target set by the Human Resources and Compensation Supervisory Committee. In 2007, the committee also awarded a special bonus of \$100,000 related to successful completion of the Cost-U-Less acquisition. No additional long term incentive awards were made to Edward Kennedy in 2007.

Submitted by the Human Resources and Compensation Supervisory Committee of the Board of Trustees:

H. Sanford (Sandy) Riley (Chair)
Frank J. Coleman
Wendy F. Evans
R. J. (Bob) Kennedy
Keith G. Martell

EXECUTIVE COMPENSATION

This section provides details about executive compensation and employment arrangements for the financial year ended January 31, 2008. As at June 5, 2007, the Fund entered into an administration agreement with NWCGP Inc. to administer the business activities of the Fund. Accordingly compensation information relates to NWCGP Inc. and other subsidiaries of the Fund as there was no compensation paid to executives in their capacity as officers of the Fund.

Summary Compensation Table

The table below shows the annual short-term and long-term compensation paid to the President & Chief Executive Officer (“CEO”), the Company’s Chief Financial Officer (“CFO”) and the Company’s three other highest paid executive officers (the “Named Executive Officers”) for services rendered in all capacities with respect to the three most recently completed financial years of the Company.

Name/ Principal Position	Financial Year	Annual Compensation			All Other Compensation (Cdn \$) (3)	Total Compensation (Cdn \$)
		Salary (Cdn \$)	Annual Incentive Plan (Cdn \$) (1)	Other Annual Comp. (Cdn \$) (2)		
Edward S. Kennedy President & CEO	2007	\$583,077	\$620,714	\$224,646	\$2,129	\$1,430,566
	2006	554,231	630,000	172,927	1,780	1,358,938
	2005	518,846	571,781	134,710	1,241	1,226,578
Léo P. Charrière Executive Vice-President & CFO	2007	311,923	258,819	102,881	1,353	674,976
	2006	289,692	265,500	93,577	848	649,617
	2005	262,769	232,560	60,921	710	556,960
Russell J. Zwanka Executive Vice-President, Procurement & Marketing (4)	2007	296,769	199,335	88,586	1,039	585,729
	2006	273,692	244,533	84,165	582	602,972
	2005	120,192	83,376	20,493	149	224,210
Michael W. McMullen Executive Vice-President Northern Canada Retail (5)	2007	245,192	212,944	71,209	462	529,807
Scott A. McKay Vice-President & General Manager, Giant Tiger, West	2007	151,875	221,034	34,349	656	407,914
	2006	137,692	168,563	28,428	388	335,071
	2005	128,192	108,615	14,463	215	251,485

(1) **Annual Incentive Plan**

This column lists the amounts earned under our Short Term Incentive Plan.

Target incentives for executives with overall corporate accountabilities are based on achievement of consolidated Earnings before Interest and Taxes (EBIT) targets for the entire Company adjusted for the cost of capital and unusual items. Target incentives for executives with business unit, region, store banner, or merchandise group (“Business Unit”) accountabilities are based 80-90% on Business Unit EBIT and 10-20% on consolidated EBIT for the entire company adjusted for the cost of capital and specific items. Maximum incentives for all executives are 1.5 times the target incentive with the exception of Scott A. McKay who is on a lower base, higher variable pay program to match Giant Tiger compensation philosophy. Scott A. McKay’s target incentive is 100% base salary with a maximum incentive of 150% of base salary.

(2) **Other Annual Compensation**

This column includes the imputed interest on loans incurred to purchase units, and the amount paid to officers under the flexible spending plan. The Company has a Management Ownership Plan (“MOP”) under which it pays,

on behalf of certain eligible management employees (including the Named Executive Officers), interest costs over 2% per annum on certain loans incurred to purchase units. This program is not significant and is being phased out with the benefit reducing as loans expire. The largest loan program is the UPLP, previously described under the Report on Executive Compensation. The annual value of the imputed interest on a UPLP loan disclosed in this column is the annual taxable value to the UPLP participant of his or her loan. The aggregate interest subsidy paid under both of these plans to Named Executive Officers for the financial year of the Company ended January 31, 2008, was \$377,975.

Breakdown of Other Compensation for the Named Executive Officers

Named Executive Officers	Flexible Benefits (\$)	MOP Interest (\$)	UPLP Prescribed Interest (\$)	Total Other Compensation (\$)
Edward S. Kennedy	\$58,308	0	\$166,338	\$224,646
Léo P. Charrière	31,192	\$7,513	64,176	102,881
Russell J. Zwanka	29,677	0	58,909	88,586
Michael W. McMullen	24,520	0	46,690	71,210
Scott A. McKay	0	0	34,349	34,349

⁽³⁾ **All Other Compensation**

This column includes the value of insurance premiums paid by the Company with respect to term life insurance for the officers, contributions made by the Company to the officers' defined contribution pension plan (it is not required to disclose contributions in the defined benefit plan made by the Company for officers), relocation allowance, and any other miscellaneous payments.

⁽⁴⁾ Russell J. Zwanka joined the Company on August 8, 2005.

⁽⁵⁾ Michael W. McMullen joined the Company on February 5, 2007.

The total compensation for the CEO, CFO and the next three highest paid executive officers is shown below:

	2007	2006	2005
Named Executive Officers Compensation	\$3,628,992	\$3,271,549	\$2,996,599
Compensation as % of EBIT	4.6%	4.7%	5.0%
Unitholder Return	19%	39%	30%

For the financial year ended January 31, 2008, the Company provided to all its officers a total of \$2,836,965 in salaries, \$2,307,101 in bonuses, \$690,015 in other annual compensation and \$8,212 in all other compensation.

Indebtedness under the Unit Purchase Loan Program

During the financial year ended January 31, 2008, the Company issued loans to executive officers in the Canadian operation as part of its long-term incentive program to purchase units under a Unit Purchase Loan Plan ("UPLP"). These loans are non-interest bearing and are repayable from the after tax distributions on the units purchased using such loan proceeds or if the officer sells such units or leaves the Company. The loans have a term of either five or three years and are secured by a pledge of such units as presented in the following table. Additional loans may be made on an annual basis. The maximum aggregate amount of the loans under the UPLP is currently limited to \$15,000,000. The table below summarizes the indebtedness of the executive officers to the Company.

	Company Involvement	Largest amount outstanding during the year ended January 31, 2008 (\$)	Amount Outstanding as at March 31, 2008 (\$) ⁽¹⁾	Security Purchases during the year ended January 31, 2008 (Units)	Security for indebtedness as at March 31, 2008 (Units)	Amount Forgiven during the year ended January 31, 2008 (\$)
Edward S. Kennedy President & CEO	Loan	\$3,360,619	\$3,251,574	0	160,051	0
Léo P. Charrière Executive Vice-President & CFO	Loan	1,297,153	1,250,167	0	74,460	0
Russell J. Zwanka Executive Vice-President, Procurement & Marketing	Loan	1,192,179	1,146,511	0	70,930	0
Michael W. McMullen Executive Vice-President, Northern Canada Retail	Loan	1,250,001	1,205,783	74,182	74,182	0
Scott A. McKay Vice-President & General Manager, Giant Tiger, West	Loan	692,670	669,334	0	39,257	0
Karen J. Milani Vice-President, Human Resources	Loan	587,443	566,673	0	31,760	0
Gerald L. Mauthe Vice-President, Information Services	Loan	407,502	393,336	0	22,305	0
John D. King Vice-President, Finance & Secretary	Loan	376,112	361,045	0	24,444	0
		\$9,163,681	\$8,844,423	74,182	497,389	0

Kenneth M. Claudel resigned from his position as Vice-President, Logistics as at January 31, 2008 and has an outstanding UPLP loan balance of \$240,701 as at April 21, 2008. Units held as security against this loan are 11,520.

⁽¹⁾ On March 31, 2008 at the close of market on the Toronto Stock Exchange, the market value of the units held as security against the amount outstanding as shown above was \$9,291,227.

Pension Plan Disclosure

The following table shows the estimated annual benefits payable upon retirement of the Canadian officers of the Company under the Company's Pension Plan.

Remuneration	Years of Service			
	10	15	20	25
\$175,000	\$29,750	\$44,625	\$59,500	\$74,375
200,000	34,000	51,000	68,000	85,000
225,000	38,250	57,375	76,500	95,625
250,000	42,500	63,750	85,000	106,250
300,000	51,000	76,500	102,000	127,500
400,000	68,000	102,000	136,000	170,000
500,000	85,000	127,500	170,000	212,500
600,000	102,000	153,000	204,000	255,000
700,000	119,000	178,500	238,000	297,500
800,000	136,000	204,000	272,000	340,000
900,000	153,000	229,500	306,000	382,500
1,000,000	170,000	255,000	340,000	425,000
1,100,000	187,000	280,500	374,000	467,500
1,200,000	204,000	306,000	408,000	510,000
1,300,000	221,000	331,500	442,000	552,500

The previous table reflects the annual benefits payable, under the non-contributory defined benefit pension plan, to officers of the Company at age 60 for the various earnings/service combinations shown. The benefit is not reduced for early retirement at age 60 if the member has 10 years of service as an officer of the Company. The benefits do not include payments from the Canada/Quebec Pension Plan or Old Age Security.

The annual benefit payable is based on 1.7% per year of service of the average of the officer's final three years of remuneration. Remuneration includes base earnings plus bonuses. Upon death, reduced payments continue to the spouse, if applicable. Officers may elect to contribute to the plan to provide for enhanced ancillary benefits.

This table reflects the benefits payable for service as an officer. Various lower benefit formulas apply for service prior to appointment as an officer.

Officers may elect to accumulate their benefits through an alternative defined contribution arrangement. The benefits under this option will be based on the balance accumulated in their defined contribution account.

As of January 31, 2008, Edward S. Kennedy had 18 years total credited service and 17 years credited service as an officer, Léo P. Charrière had four years total credited service and four years credited service as an officer, Russell J. Zwanka had two year total credited service and two year credited service as an officer, Michael W. McMullen had one year total credited service and one year as an officer, and Scott A. McKay had three years total credited service and three years credited service as an officer.

Termination of Employment, Change in Responsibilities and Employment Contracts

No employment agreements are in effect for any of the Named Executives or any other executive position with the exception of severance agreements with Léo P. Charrière and Russell J. Zwanka, as detailed below.

Guidelines have been established for the termination of executive employment, subject to approval of the Human Resources and Compensation Supervisory Committee on a case by case basis.

Guidelines and/or agreements in effect are:

Termination Without Cause

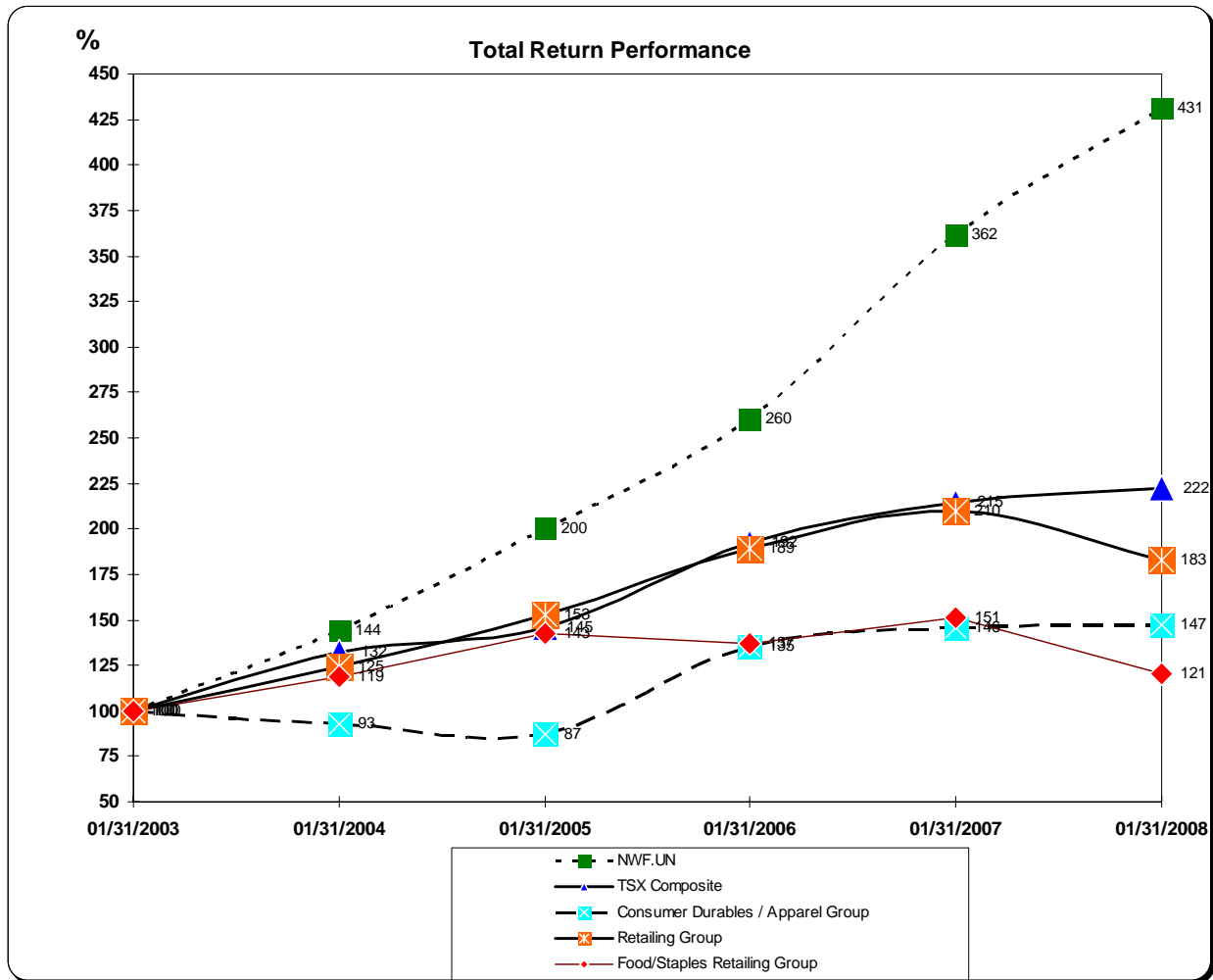
- CEO would receive a lump sum payment equal to 24 months base salary plus a 10% flexible benefit payment.
- Vice President would receive a lump sum payment up to 18 months base salary plus a 10% flexible benefit.
- Léo P. Charrière has a separate termination provision outlined in his initial letter of offer which provides for a lump sum payment equal to 21 months base salary plus a 10% flexible benefit if terminated without cause within the first five years of service. After five full years of service this payment would increase to 24 months base salary plus a 10% flexible benefit payment.
- Russell J. Zwanka has a separate termination provision in his initial letter of offer which entitles him to severance compensation of 18 months base salary plus a 10% flexible benefit payment if his employment is severed without cause.

Termination – Change of Control

- A Change of Control is triggered if one or both of the following events occur:
 1. The majority of all of the assets of the company are sold.
 2. A third party acquires more than 50% of the company's equity.
- The Change of Control is in effect for 12 months following the actual change of control and is enforceable by the company other than for cause, death, retirement or disability or if the executive resigns for "good reason", which includes unilateral reductions in salary, bonus opportunities and/or benefits; forced geographical relocations; reductions in level of responsibility or title/function; or changes in business' corporate structure that negatively affects the executive's position in the hierarchy.
- Under a Change of Control the CEO would receive a lump sum payment equal to 24 months total cash compensation.
- Vice Presidents would receive a lump sum payment up to 18 months cash compensation.
- Total cash compensation is defined as base salary plus the average of the actual bonuses paid to the executive, over the prior three years.

PERFORMANCE GRAPH

Set out below is a comparison of the cumulative total return between the Fund, with the TSX Composite, Consumer Durables/Apparel Group, Retailing Group and Food/Staples Retailing Group from January 31, 2003 to January 31, 2008.



	Jan. 03	Jan. 04	Jan. 05	Jan. 06	Jan. 07	Jan. 08	Compound Annual Growth
The Fund	100	144	200	260	362	431	33.9%
TSX Composite	100	132	145	192	215	222	17.3%
Consumers Durables/ Apparel Group	100	93	87	135	146	147	8.1%
Retailing Group	100	125	153	189	210	183	12.8%
Food/Staples Retailing Group	100	119	143	137	151	121	3.8%

Note: Assumes \$100 invested January 31, 2003 in the Fund, the TSX Composite, Consumer Durables/Apparel Group, Retailing Group and Food/Staples Retailing Group. Fund distributions are reinvested on the ex-distribution date. The above referenced indices already incorporate distributions.

INDEBTEDNESS OF TRUSTEES AND EXECUTIVES

None of the Trustees or officers of the Fund or its affiliated entities, nor any associate or affiliate of any of them, is or was indebted, directly or indirectly, to the Fund or any of its affiliated entities at any time since January 31, 2007, the beginning of the most recently completed financial year, except as previously outlined above under "Indebtedness Under the Unit Purchase Loan Program" above.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, no informed person (within the meaning of applicable securities laws) of the Fund and no proposed nominee for election as a Trustee, or any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Fund or any of its affiliated entities.

MANAGEMENT CONTRACTS

On June 5, 2007, the Fund entered into an administration agreement with its subsidiary NWC GP Inc. The management functions of the Fund and of the Company are not performed to any substantial degree by a person or company other than the Trustees and senior officers of the Company.

UNITHOLDER RELATIONS AND FEEDBACK

The Executive Vice-President and Chief Financial Officer of the Fund is responsible for investor relations and ensures that questions and concerns receive prompt responses.

At annual meetings, unitholders are encouraged to ask questions of the Trustees of the Fund and of the officers of the Company. In addition, a 24-hour listen line with an 800 number (1-800-563-0002) and an e-mail address *investorrelations@northwest.ca* provide unitholders with the ability to direct questions to the Fund and the Company. A web site *www.northwest.ca* provides unitholders with access to recent press releases, quarterly reports and general information on the Company and the Fund. Quarterly conference calls are held with analysts, investors and interested persons. Phone and fax numbers and the Company's web site address are printed on all Company and Fund reports.

BOARD EXPECTATIONS OF MANAGEMENT

The Board holds management responsible for the achievement of goals set out in strategic plans. It also requires management to report on their progress on a timely, accurate and relevant basis to enable effective evaluation of performance.

OTHER MATTERS

The Trustees know of no other matters to come before the meeting other than the matters referred to in the Notice of Annual and Special Meeting; however, if any other matter properly comes before the meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

The Fund will provide to any unitholder upon request to its Secretary, a copy of:

- (i) its most recent annual information form together with any document or pertinent pages of any document incorporated therein by reference;
- (ii) its audited comparative consolidated financial statements for its last fiscal year together with the auditor's report thereon as well as its management's discussion and analysis relating thereto;
- (iii) its most recent information circular; and
- (iv) any material change reports (other than confidential reports) which have been filed with the various securities regulatory authorities.

Financial information regarding the Fund and its affiliated entities is contained in the Fund's annual consolidated financial statements and management's discussion and analysis relating thereto available on SEDAR at www.sedar.com or on the Fund's website at www.northwest.ca.

The contents of this Information Circular and the sending thereof have been approved by the Trustees.

By Order of the Trustees



John D. King
Vice-President, Finance
& Secretary
Winnipeg, Manitoba
April 25, 2008

Appendix “A”

SUMMARY OF AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN

Summary of Key Features

The following is a summary of the features of the Rights Plan proposed to be implemented pursuant to an amended and restated unitholder rights plan agreement (the “Rights Plan Agreement”) between the Fund and CIBC Mellon Trust Company, as rights agent. The summary is qualified in its entirety by the full text of the Rights Plan, a copy of which is available from the Fund as described in the Information Circular. All defined terms, where used in this summary without definition, have the meanings attributed to them in the Rights Plan Agreement.

a) Issuance of Rights

One Right was issued by the Fund in respect of each Trust Unit outstanding on March 27, 1997, the date of implementation of the Original Rights Plan, and one Right was issued and will continue to be issued in respect of each Trust Unit issued thereafter. Under the Rights Plan, the Rights are reconfirmed and the Fund reconfirms its authorization to continue the issuance of new Rights for each Trust Unit issued. Each Right entitles the registered holder thereof to purchase from the Fund one Trust Unit. The exercise price under the Rights Plan is \$50. The Rights are not exercisable until the Separation Time. If a Flip-In Event occurs, each Right will entitle the registered holder to receive, upon payment of the Exercise Price, Trust Units having an aggregate market price equal to twice the Exercise Price.

The Rights Plan includes a provision that the Fund is not required to issue or deliver Rights, or securities upon the exercise of Rights, outside of Canada, where such issuance or delivery would be unlawful without registration of the relevant Persons or securities. If the Rights Plan would require compliance with securities laws or comparable legislation of a jurisdiction outside of Canada, the Fund may establish procedures for the issuance to a Canadian resident fiduciary of such securities, to hold such Rights or other securities in trust for the Persons beneficially entitled to them, to sell such securities, and to remit the proceeds to such Persons.

b) Trading of Rights

Until the Separation Time (or the earlier termination or expiration of the Rights), the Rights will be evidenced by the certificates representing the Trust Units and will be transferable only together with the associated Trust Units. From and after the Separation Time, separate certificates evidencing the Rights (“Rights Certificates”), together with a disclosure statement prepared by the Fund describing the Rights will be mailed to holders of record of Trust Units (other than an Acquiring Person) as of the Separation Time. Rights Certificates will also be issued in respect of Trust Units issued prior to the Expiration Time, to each holder (other than an Acquiring Person) converting, after the Separation Time, securities (“Convertible Securities”) convertible into or exchangeable for Trust Units. The Rights will trade separately from the Trust Units after the Separation Time.

c) Separation Time

The Separation Time is the Close of Business on the tenth Business Day after the earlier

of (i) the “Trust Unit Acquisition Date”, which is generally the first date of public announcement of facts indicating that a Person has become an Acquiring Person, and (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Fund or any Subsidiary of the Fund) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, so long as such bid continues to satisfy the requirements of a Permitted Bid or Competing Permitted Bid). In either case, the Separation Time can be such later date as may from time to time be determined by the Board of Trustees. If a Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it shall be deemed never to have been made.

d) Acquiring Person

In general, an Acquiring Person is a Person who is the Beneficial Owner of 20% or more of the outstanding Trust Units. Excluded from the definition of “Acquiring Person” are the Fund and its Subsidiaries, and any Person who becomes the Beneficial Owner of 20% or more of the outstanding Trust Units as a result of one or more or any combination of an acquisition or redemption by the Fund of Trust Units, a Permitted Bid Acquisition, an Exempt Acquisition, a Convertible Security Acquisition and a Pro Rata Acquisition. The definitions of “Permitted Bid Acquisition”, “Exempt Acquisition”, “Convertible Security Acquisition” and “Pro Rata Acquisition” are set out in the Rights Plan Agreement. However, in general:

- (i) a “Permitted Bid Acquisition” means an acquisition of Trust Units made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (ii) an “Exempt Acquisition” means a Trust Unit acquisition: (A) in respect of which the Board of Trustees has waived the application of the Rights Plan pursuant to the provisions of the Rights Plan; (B) pursuant to a distribution reinvestment plan of the Fund; (C) pursuant to the receipt or exercise of rights issued by the Fund to all holders of Trust Units to subscribe for or purchase Trust Units or Convertible Securities, provided that the Person does not thereby acquire a greater percentage of Trust Units or Convertible Securities so offered than the Person’s percentage of Trust Units or Convertible Securities Beneficially Owned immediately prior to such acquisition; (D) pursuant to a distribution by the Fund of Trust Units or Convertible Securities by way of prospectus or private placement by the Fund, provided that the Person does not thereby acquire (or is deemed to Beneficially Own) a greater percentage of Trust Units so offered than the Person’s percentage of Trust Units Beneficially Owned immediately prior to such acquisition; or (E) the exercise of options granted under a Trust Unit option plan of the Fund or rights to purchase securities granted under a Trust Unit purchase plan of the Fund;
- (iii) a “Pro Rata Acquisition” means an acquisition of Trust Units or Convertible Securities as a result of a distribution payable in Trust Units, a Trust Unit split or other similar event, acquired on the same pro rata basis as all other holders of Trust Units; and
- (iv) a “Convertible Security Acquisition” means an acquisition of Trust Units upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition.

Also excluded from the definition of “Acquiring Person” are underwriters or members of banking or selling group acting in connection with a distribution of securities by way of prospectus or private placement.

To the best of the knowledge of the Trustees, as of the date hereof, no person is the Beneficial Owner of 20% or more of the outstanding Trust Units.

e) Beneficial Ownership

In general, a Person is deemed to Beneficially Own Trust Units actually held by others in circumstances where those holdings are or should be grouped together for purposes of the Rights Plan. Included are holdings by the Person's Affiliates (generally, a person that controls, is controlled by, or is under common control with another person) and Associates (generally, relatives sharing the same residence). Also included are securities which the Person or any of the Person's Affiliates or Associates has the right to acquire within 60 days (other than (1) customary agreements with and between underwriters and/or banking group and/or selling group members with respect to a public offering of securities, or (2) pursuant to a pledge of securities).

A Person is also deemed to "Beneficially Own" any securities that are Beneficially Owned (as described above) by any other Person with which the Person is acting jointly or in concert (a "Joint Actor"). A Person is a Joint Actor with any Person who is a party to an agreement, arrangement or understanding with the first Person or an Associate or Affiliate thereof for the purpose of acquiring or offering to acquire Trust Units.

(i) Institutional Unitholder Exemptions from Beneficial Ownership

The definition of "Beneficial Ownership" contains several exclusions whereby a Person is not considered to "Beneficially Own" a security. There are exemptions from the deemed "Beneficial Ownership" provisions for institutional investors acting in the ordinary course of business. These exemptions apply to: (A) an investment manager ("Investment Manager") which holds securities in the ordinary course of business in the performance of its duties for the account of any other Person (a "Client"), including the acquisition or holding of securities for non-discretionary accounts held on behalf of a Client by a broker or dealer registered under applicable securities law; (B) a licensed trust company ("Trust Company") acting as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent persons (each an "Estate Account") or in relation to other accounts (each an "Other Account") and which holds such security in the ordinary course of its duties for such accounts; (C) the administrator or the trustee (a "Plan Trustee") of one or more pension funds or plans (a "Plan") registered under applicable law; (D) a Person who is a Plan or is a Person established by statute (the "Statutory Body"), and its ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans, or various public bodies, or (E) a Crown agent or agency. The foregoing exemptions only apply so long as the Investment Manager, Trust Company, Plan Trustee, Plan, Statutory Body or Crown agent or agency is not then making or has not then announced an intention to make a Take-over Bid, other than an Offer to Acquire Trust Units or other securities pursuant to a distribution by the Fund or by means of ordinary market transactions.

A Person will not be deemed to "Beneficially Own" a security because (i) the Person is a Client of the same Investment Manager, an Estate Account or an Other Account of the same Trust Company, or Plan with the same Plan Trustee as another Person or Plan on whose account the Investment Manager, Trust Company or Plan Trustee, as the case may be, holds such security; or (ii) the Person is a Client of an Investment Manager, Estate Account, Other Account or

Plan, and the security is owned at law or in equity by the Investment Manager, Trust Company or Plan Trustee, as the case may be.

(ii) Exemption for Permitted Lock-up Agreement

A Person will not be deemed to “Beneficially Own” any security where the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement in respect of a Take-over Bid made by such Person or such Person’s Affiliates or Associates or a Joint Actor, or such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or such Person’s Affiliates, Associates or Joint Actors until the earliest time at which any such tendered security is accepted unconditionally for payment or is taken up and paid for.

A Permitted Lock-up Agreement is essentially an agreement between a Person and one or more holders of Trust Units and/or Convertible Securities (the terms of which are publicly disclosed and made available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender Trust Units and/or Convertible Securities to the Lock-up Bid and which further provides that such agreement permits the Locked-up Person to withdraw its Trust Units and/or Convertible Securities in order to deposit or tender the Trust Units to another Take-Over Bid or support another transaction: (A) at a price or value that exceeds the price under the Lock-Up Bid; or (B) is for a number of Trust Units or Convertible Securities at least 7% greater than the number of Trust Units or Convertible Securities under the Lock-Up Bid at a price or value that is not less than the price or value offered in the Lock up Bid; or (C) (1) that contains an offering price for each Trust Unit or Convertible Security that exceeds by as much as or more than a specified amount (the “Specified Amount”) the offering price for each Trust Unit or Convertible Security contained in or proposed to be contained in the Lock-up Bid and (2) does not by itself provide for a Specified Amount that is greater than 7% of the offering price contained in or proposed to be contained in the Lock-up Bid.

A Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the Person who made the Lock-up Bid an opportunity to match a higher price in another Take-Over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Trust Units and/or Convertible Securities so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Trust Units during the period of the other Take-Over Bid or transaction. Finally, under a Permitted Lock-up Agreement no “break up” fees, “top up” fees, penalties, expenses or other amounts that exceed in aggregate the greater of: (A) 2.5% of the price or value of the consideration payable under the Lock-up Bid; and (B) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-Over Bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Trust Units to the Lock-up Bid or withdraws Trust Units and/or Convertible Securities previously tendered thereto in order to deposit such Trust Units to another Take-Over Bid or support another transaction.

f) Flip-In Event

A Flip-In Event occurs when any Person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-In Event which has not been waived by the Board of Trustees occurs (see "Redemption, Waiver and Termination"), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person or a transferee of such a Person, which Rights will become null and void) shall constitute the right to purchase from the Fund, upon exercise thereof in accordance with the terms of the Rights Plan, that number of Trust Units having an aggregate Market Price on the date of the Flip-In Event equal to twice the Exercise Price, for the Exercise Price (such Right being subject to anti-dilution adjustments).

g) Permitted Bid and Competing Permitted Bid

A Permitted Bid is a Take-over Bid made by way of a Take-over Bid circular and which complies with the following additional provisions:

- (i) the Take-over Bid is made to all holders of record of Trust Units, other than the Offeror;
- (ii) the Take-over Bid contains irrevocable and unqualified conditions that:
 - (A) no Trust Unit shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date which is not less than 60 days following the date of the Take-over Bid and the provisions for the take-up and payment for Trust Units tendered or deposited thereunder shall be subject to such irrevocable and unqualified condition;
 - (B) unless the Take-over Bid is withdrawn, Trust Units may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date of first take-up or payment for Trust Units and all Trust Units deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such dates;
 - (C) not less than 50% of the outstanding Trust Units held by Independent Unitholders must be deposited to the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Trust Units; and
 - (D) in the event that not less than 50% of the then outstanding Trust Units held by Independent Unitholders have been deposited to the Take over Bid and not withdrawn as at the date of first take-up or payment for Trust Units under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Trust Units for not less than 10 Business Days from the date of such public announcement.

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry, satisfies all the requirements of a Permitted Bid as described above, except that a Competing Permitted Bid is not required to remain open for 60 days so long as it is open until the later of (i) the earliest date on which Trust Units may be taken-up or paid for under any earlier Permitted Bid or Competing Permitted Bid that is in existence and (ii) 35 days (or such other minimum period of days as may be prescribed by applicable law in Ontario) after the date of the Take-over Bid constituting the Competing Permitted Bid.

h) Redemption, Waiver and Termination

- (i) *Redemption of Rights on Approval of Holders of Trust Units and Rights.* The Board of Trustees acting in good faith may, after having obtained the prior approval of the holders of Trust Units or Rights, at any time prior to the occurrence of a Flip-In Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.0001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Plan (the "Redemption Price").
- (ii) *Waiver of Inadvertent Acquisition.* The Board of Trustees acting in good faith may waive the application of the Rights Plan in respect of the occurrence of any Flip-In Event if: (A) the Board of Trustees has determined that a Person became an Acquiring Person under the Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (B) the Acquiring Person has reduced its Beneficial Ownership of Trust Units such that at the time of waiver the Person is no longer an Acquiring Person.
- (iii) *Deemed Redemption.* In the event that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Trustees has waived or has deemed to have waived the application of the Rights Plan consummates the acquisition of the Trust Units, the Board of Trustees shall be deemed to have elected to redeem the Rights for the Redemption Price.
- (iv) *Discretionary Waiver with Mandatory Waiver of Concurrent Bids.* The Board of Trustees acting in good faith may, prior to the occurrence of the relevant Flip-In Event as to which the Rights Plan has not been waived under this clause, upon prior written notice to the Rights Agent, waive the application of the Rights Plan to a Flip-In Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Trust Units. However, if the Board of Trustees waives the application of the Rights Plan, the Board of Trustees shall be deemed to have waived the application of the Rights Plan in respect of any other Flip-In Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.
- (v) *Discretionary Waiver respecting Acquisition not by Take-over Bid Circular.* The Board of Trustees acting in good faith may, with the prior consent of the holders of Trust Units, determine, at any time prior to the occurrence of a Flip-In Event as to which the application of the Rights Plan has not been waived, if such Flip-In Event would occur by reason of an acquisition of Trust Units otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to holders of Trust Units and otherwise than by inadvertence in the circumstances described in (h)(ii) above, to waive the application of the Rights Plan to such Flip-In Event. However, if the Board of Trustees waives the application of the Rights Plan, the Board of Trustees shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of unitholders called to approve such a waiver.
- (vi) *Redemption of Rights on Withdrawal or Termination of Bid.* Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-In Event, the Board of Trustees may elect to redeem all the outstanding Rights at the Redemption Price. In such event, the Rights Plan will continue to apply as if the Separation Time had not occurred and one Right will remain attached to each Trust Unit as provided for in the Rights Plan.

If the Board of Trustees is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within 10 Business Days of any such election or deemed election to redeem the Rights, the Fund will notify the holders of the Trust Units or, after the Separation Time, the holders of the Rights.

i) Anti-Dilution Adjustments

The Exercise Price of a Right, the number and kind of securities subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

- (i) if there is: (A) a declaration of payment of a distribution on Trust Units payable in Trust Units (or Convertible Securities) other than pursuant to any mandatory or optional Trust Unit distribution reinvestment program; (B) a subdivision or change of the outstanding Trust Units into a greater number of Trust Units; (C) a combination or change of the outstanding Trust Units into a smaller number of Trust Units; (D) an issuance of Trust Units (or other Convertible Securities) in lieu of or in exchange for existing Trust Units; or
- (ii) if the Fund fixes a record date for the distribution to all holders of Trust Units of certain rights or warrants to acquire Trust Units or Convertible Securities, or for the making of a distribution to all holders of Trust Units of evidences of indebtedness, assets (other than annual or interim period cash distributions, rights or warrants (other than pursuant to a distribution or interest reinvestment program of the Fund).

j) Supplements and Amendments

Changes that the Board of Trustees, acting in good faith, determines are necessary to maintain the validity of the Rights Plan as a result of any change in any applicable legislation, rules or regulation may be made subject to subsequent confirmation by the holders of Trust Units or, after the Separation Time, the holders of Rights.

The Fund may make amendments to correct any clerical or typographical error. Subject to the above exceptions, after the Meeting, any amendment, variation or deletion of or from the Rights Plan and the Rights, is subject to the prior approval of the holders of Trust Units, or, after the Separation Time, the holders of the Rights.

k) Expiration

If the Rights Plan is approved at the Meeting, it will become effective immediately following such approval and remain in force until the earlier of the Termination Time (the time at which the right to exercise Rights shall terminate pursuant to the Rights Plan) and the termination of the annual meeting of the unitholders in the year 2011 unless at or prior to such meeting the Independent Unitholders ratify the continued existence of the Rights Plan.