



WESTERNOE EQUITY INCOME FUND

Notice of Annual and Special Meeting
of Unitholders to be held on June 6, 2011

and

Information Circular

Dated May 3, 2011



WESTERNO ONE EQUITY INCOME FUND

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (“**Unitholders**”) of the units (“**Units**”) of WesternOne Equity Income Fund (the “**Fund**”) will be held at The Sutton Place Hotel, 845 Burrard Street, Vancouver, British Columbia at 9:00am (Pacific Time), on June 6, 2011, for the following purposes:

- (a) to receive the financial statements of the Fund for the financial year ended December 31, 2010 and the report of the auditors thereon;
- (b) to elect trustees for the ensuing year;
- (c) to appoint auditors for the ensuing year and to authorize the trustees to fix their remuneration;
- (d) to consider, and if thought advisable, to pass a special resolution authorizing certain amendments to the Declaration of Trust of the Fund made as of June 14, 2006 as more particularly described in the accompanying Information Circular; and
- (e) to transact such further and other business as may properly come before the meeting or any adjournment thereof.

Specific details of the above items of business are contained in the Information Circular that accompanies and forms a part of this Notice of Annual and Special Meeting.

Unitholders of record are entitled to vote at the Meeting either in person or by proxy. Unitholders who are unable to attend the Meeting in person are requested to read, complete, sign and deliver the accompanying Form of Proxy. To be effective, the Form of Proxy must be received by Computershare Investor Services Inc., 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario, M5J 2Y1 (facsimile: 1-866-249-7775) not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment thereof.

Beneficial Unitholders who hold their Units of the Fund through an intermediary/broker are not entitled, as such, to vote at the Meeting through a proxy. Regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of the Meeting. Beneficial Unitholders should carefully follow the instructions of the intermediary/broker, including those on how and when voting instructions are to be provided, in order to have their Units voted at the Meeting.

DATED at Vancouver, British Columbia, this 3rd day of May, 2011.

BY ORDER OF THE BOARD OF TRUSTEES

“Darren T. Latoski”

(signed) Darren T. Latoski
Trustee

INFORMATION CIRCULAR

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WESTERNO ONE EQUITY INCOME FUND

INFORMATION CIRCULAR

(Containing information as at May 3, 2011 unless indicated otherwise)

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the trustees (the “**Trustees**”) of WesternOne Equity Income Fund (the “**Fund**”) for use at the annual and special meeting (the “**Meeting**”) of holders (the “**Unitholders**”) of units (the “**Units**”) of the Fund to be held at The Sutton Place Hotel, 845 Burrard Street, Vancouver, British Columbia at 9:00am (Pacific Time), on June 6, 2011, or at any adjournments thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting.

It is expected that the solicitation of proxies for the Meeting will be primarily by mail, but proxies may be solicited personally, by telephone or by other means of communication by the Trustees and by the directors (the “**Directors**”), officers and regular employees of WesternOne Equity GP Inc. (“**WesternOne Equity GP**”), the administrator of the Fund, who will not be specifically remunerated therefor. All costs of solicitation of proxies by or on behalf of the Trustees will be borne by the Fund.

APPOINTMENT OF PROXIES

The persons named in the accompanying Form of Proxy are Trustees of the Fund. A Unitholder desiring to appoint some other person, who need not be a Unitholder, to attend and act on the Unitholder’s behalf at the Meeting has the right to do so, either by inserting the desired person’s name in the blank space provided in the Form of Proxy or by completing another proper Form of Proxy.

A Form of Proxy must be in writing and signed by the Unitholder or by the Unitholder’s attorney duly authorized in writing or, if the Unitholder is a body corporate or association, under its seal or by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing. If an attorney executes the Form of Proxy, evidence of the attorney’s authority must accompany the Form of Proxy. A proxy will not be valid unless the completed Form of Proxy is received by Computershare Investor Services Inc., 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1 (facsimile: 1-866-249-7775) not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment thereof.

Beneficial Unitholders who hold their Units of the Fund through an intermediary/broker are not entitled, as such, to vote at the Meeting through a proxy. Regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Unitholders in advance of the Meeting. Beneficial Unitholders should carefully follow the instructions of their intermediary/broker, including those on how and when voting instructions are to be provided, in order to have their Units voted at the Meeting. See “Beneficial Unitholders”.

REVOCATION OF PROXIES

A Unitholder who has given a Form of Proxy may revoke it by an instrument in writing that is signed and delivered to Computershare Investor Services Inc. in the manner as described above so as to arrive at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the Form of Proxy is to be used, or to the chair of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law. A revocation of a Form of Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The Trustee representatives designated in the accompanying Form of Proxy will vote or withhold from voting the Units in respect of which they are appointed proxy on any ballot that may be called for in

accordance with the instructions of the Unitholder as indicated on the Form of Proxy and, if the Unitholder specifies a choice with respect to any matter to be acted upon, the Units will be voted accordingly. Where no choice is specified in the Form of Proxy, such Units will be voted “for” the matters described therein and in this Information Circular.

The accompanying Form of Proxy confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Annual and Special Meeting and with respect to other matters that may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Annual and Special Meeting are properly brought before the Meeting or any other business is properly brought before the Meeting, it is the intention of the Trustee representatives designated in the accompanying Form of Proxy to vote in accordance with their best judgement on such matters or business. At the time of the printing of this Information Circular, the Trustees know of no such amendment, variation or other matter, which may be presented to the Meeting.

BENEFICIAL UNITHOLDERS

These meeting materials are being sent to both registered and non-registered Unitholders. If you are a non-registered Unitholder and the Fund or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary/broker holding on your behalf.

The information set forth in this section is important to all Unitholders. Unitholders who do not hold their Units in their own name are referred to in this Information Circular as “**Beneficial Unitholders**”. **Beneficial Unitholders should note that only a Unitholder whose name appears on the records of the Fund as a registered holder of Units or a person they appoint as a proxy can be recognized and vote at the Meeting.** Currently, all issued and outstanding Units are in a book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). Consequently, all Units are currently registered under the name of CDS & Co. (the registration name for CDS). CDS also acts as nominee for brokerage firms through which Beneficial Unitholders hold their Units. Units held by CDS can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder.

Applicable regulatory policy requires intermediaries/brokers to whom meeting materials have been sent to seek voting instructions from Beneficial Unitholders in advance of Unitholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully 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 by its broker 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 Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a special voting instruction form, mails those forms to the Beneficial Unitholders and asks for appropriate instructions respecting the voting of Units to be represented at the Meeting. Beneficial Unitholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Unitholders can call a toll-free telephone number or access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Units held by them. Broadridge then tabulates the results of all voting instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. A Beneficial Unitholder receiving a voting instruction form cannot use that voting instruction form to vote Units directly at the Meeting. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Units voted. Beneficial Unitholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Units at the Meeting.

Beneficial Unitholders cannot be recognized at the Meeting for purposes of voting their Units in person or by way of depositing a Form of Proxy. If you are a Beneficial Unitholder and wish to vote in person at the Meeting, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.

Beneficial Unitholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their Units voted at the Meeting.

FUND STRUCTURE

The Fund is an unincorporated, open-ended limited purpose trust established under the laws of the Province of British Columbia and by its declaration of trust (the “**Declaration of Trust**”). The Fund acquires indirectly through WesternOne Equity LP (the “**Partnership**”) equipment, fuel distribution, construction and infrastructure-related businesses located primarily in the Western Canadian provinces of British Columbia, Alberta and Saskatchewan in order to generate stable and growing distributions to Unitholders as well as to achieve overall capital appreciation. Each core business is typically owned by a separate limited partnership (a “**Business LP**”).

WesternOne Equity Operating Trust (the “**Trust**”) is an unincorporated, open-ended limited purpose trust established under the laws of the Province of British Columbia and by its declaration of trust. It is a limited partner of the Partnership owning 100% of the Partnership. All of the Trust’s units are held by the Fund.

The Partnership is a limited partnership formed under the laws of the Province of Manitoba. WesternOne Equity GP Inc. (“**WesternOne Equity GP**”) is the general partner of the Partnership and administrator of the Fund. All of the Partnership's limited partnership units are held by the Trust.

WesternOne Equity GP is a corporation incorporated under the laws of Canada and, as general partner of the Partnership, has the authority to manage and control the business and affairs of the Partnership. The affairs of WesternOne Equity GP are supervised by its five-member board of directors (the “**Board of Directors**” or “**Directors**”). The Fund holds all of the outstanding shares in the capital of WesternOne Equity GP.

The Fund does not carry on an active business but rather is restricted to holding the securities of: (i) the Partnership, indirectly through its wholly-owned subsidiary, the Trust; and (ii) WesternOne Equity GP.

VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

There are 15,320,799 Units issued and outstanding, each of which entitles the holder to one vote on a ballot. In addition, BigBash Inc. (formerly Deerfoot Equipment Rental Inc.) holds 125,000 exchangeable units of the Fund’s indirect subsidiary, WEQ Deerfoot Rentals LP (the “**Exchangeable Units**”) which entitle the holder to exchange them, in certain circumstances, for Units on a one-for-one basis. Holders of Exchangeable Units are not entitled to vote at the Meeting.

On a show of hands, every person present and entitled to vote will be entitled to one vote. Only registered holders of Units at the close of business on May 3, 2011, the record date established by the Trustees, are entitled to vote at the Meeting.

To the knowledge of the Trustees, no person beneficially owns, directly or indirectly, or exercises control or direction over, Units carrying more than 10% of the voting rights attached to all the issued and outstanding Units.

ELECTION OF TRUSTEES

The term of office of each of the present Trustees expires at the close of the Meeting. All Trustees elected at the Meeting will hold office for a term expiring at the close of the next annual meeting of Unitholders or until their successors are appointed, unless a Trustee's office is earlier vacated in accordance with the Declaration of Trust.

The following table states the name of each person proposed to be nominated for election as a Trustee, the municipality in which he is ordinarily resident, all offices of the Fund now held by him, his principal occupation, the period of time for which he has been a Trustee of the Fund, and the number of Units beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

All nominees have established their eligibility and willingness to serve as Trustees and, as applicable, as Directors.

Name, Position and Municipality of Residence ⁽¹⁾	Principal Occupation and, if not Previously Elected as a Trustee, Occupation During the Past Five Years	Service as a Trustee	Number of Units ⁽²⁾
ROBERT W. KING ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Trustee and Director Vancouver, BC, Canada	President, King Pacific Capital Corporation	Since June 14, 2006	93,200
DARREN T. LATOSKI ⁽¹⁾⁽²⁾ Trustee, Director and Chief Executive Officer Vancouver, BC, Canada	Chief Executive Officer, WesternOne Equity, President, Sunstone Realty Advisors Inc.	Since June 14, 2006	1,331,693 ⁽⁶⁾
DOUGLAS R. SCOTT ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Trustee Surrey, BC, Canada	Consultant	Since June 14, 2006	38,000
T. RICHARD TURNER ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Trustee West Vancouver, BC, Canada	President and Chief Executive Officer, TitanStar Capital Corp.	Since May 13, 2008	48,000

- (1) The information as to municipality of residence and principal occupation, not being within the knowledge of the Fund, has been furnished by the respective Trustees individually.
- (2) The information as to Units beneficially owned or over which a Trustee exercises control or direction, not being within the knowledge of the Fund, has been furnished by the respective Trustees individually.
- (3) Member of the audit committee of the Fund ("**Audit Committee**").
- (4) Member of the nominating and governance committee of the Fund ("**Governance Committee**").
- (5) Member of the compensation committee of the Board of Directors ("**Compensation Committee**").
- (6) Includes 1,291,300 Units held by Darren Financial Group Inc., a company controlled by Mr. Latoski.

The following are brief profiles of the above-named persons:

Robert W. King. Since 1995, Mr. King has been the President of King Pacific Capital Corporation, a financial services firm actively involved in corporate finance, venture capital and real estate investments. Also since 1995, Mr. King has been a principal of Westbridge Capital Group, a full-service commercial mortgage brokerage firm. Mr. King serves on the board of directors of several private companies, and the boards of Toronto Stock Exchange listed Wall Financial Corporation and Pure Industrial Real Estate Trust (“PIRET”). Mr. King holds an MBA from Dalhousie University and a Bachelor of Arts from the University of British Columbia.

Darren T. Latoski. Mr. Latoski is currently the President of Sunstone Realty Advisors Inc. (“Sunstone”). Sunstone has raised over \$223 million in equity for its Canadian funds, and over US\$112 million for its US funds. Sunstone participates in the negotiation, acquisition and asset management of over \$800 million in property interests in Canada and US\$350 million in property interests for its US funds. Sunstone achieved annual returns of 21.7%, 36.0% and 17.9% for its initial three funds which have been fully wound-up. In 2007, Mr. Latoski co-founded PIRET which has raised over \$180 million on the TSX Venture Exchange and has acquired over \$280 million in income producing industrial properties. He serves as acting Chief Executive Officer and trustee of PIRET. From 1997 to 2001, Mr. Latoski was the Vice-President of Macluan Capital Corporation, a Vancouver based private equity firm. He held primary responsibility for relationship management of intermediaries and other professionals along with coordination of due diligence and post transaction monitoring. During the years 1990 through 1997 he was a principal of a group of private businesses in connection with the identification, refurbishment and sale of 15 condominium projects located in British Columbia and Alberta, representing 2,073 residential units, for total gross sale proceeds of \$199.5 million. From 1995 to present, Mr. Latoski has been a strategic advisor to high net worth individuals. Mr. Latoski holds an MBA from Simon Fraser University.

Douglas R. Scott. Mr. Scott is currently a financial consultant. He serves as a trustee of PIRET. He was the Chief Financial Officer of First Majestic Corp. and First Silver Reserve Inc. Mr. Scott has a Bachelor of Commerce Degree with Distinction from the University of Alberta and is a Chartered Accountant (Alberta) with more than 30 years of professional experience. Mr. Scott was Vice President and Chief Financial Officer of Coast Wholesale Appliances Income Fund and its predecessor from 2003 to 2005, and was instrumental in its 2005 initial public offering. In addition, Mr. Scott was a partner with FinancExec Associates, working primarily in the roles of director and chief financial officer for a number of large to medium-sized public and private companies.

T. Richard Turner. Since 1995, Richard Turner has served as the President and Chief Executive Officer of TitanStar Investment Group Inc., a private company engaged in the provision of private equity capital to mid-market businesses and capital for real estate developments and acquisitions. His current board positions include Board Chair and trustee of PIRET; Board Chair, President and Chief Executive Officer of TSX Venture Exchange listed TitanStar Properties Inc.; director of Vancouver Fraser Port Authority; and director of Sora Group Wealth Advisors Inc. Mr. Turner is also a director and Chair of Audit Committee of the Organizing Committee of the Vancouver 2010 Olympic and Paralympic Winter Games (VANOC); a past Board Chair and director of the Insurance Corporation of British Columbia; and a past Chair and Governor of the Vancouver Board of Trade. From 1988 to 2005, Mr. Turner served as a director, President and Chief Executive Officer of the operating subsidiary of IAT Air Cargo Facilities Income Fund, a business which is involved in the development and management of real estate at airports. Mr. Turner also served as Board Chair and director of the British Columbia Lottery Corporation from 2001 to 2005. He also served as trustee of Sun Gro Horticultural Income Fund from 2002 to 2009 and as trustee of Sunrise Senior Living REIT from 2004 to 2007. He also serves as the Honorary Consul for the Hashemite Kingdom of Jordan in Vancouver. In 2003, Mr. Turner received H.R.H. Queen Elizabeth's Golden Jubilee Award for public service in Canada. Mr. Turner holds a Bachelor of Commerce in Finance from the University of British Columbia and is a Member of the Institute of Corporate Directors.

Unless such authority is withheld, the Trustee representatives named in the accompanying Form of Proxy intend to vote for the election, as Trustee, of the persons whose names are set forth above and identified in the accompanying Form of Proxy.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Objectives

The Fund, through the businesses that it indirectly holds, is engaged in the equipment rental, sale and service, fuel wholesale and distribution, construction and infrastructure related businesses in western Canada. The Fund is committed to strengthening its competitive position and to growing its businesses over the long-term. Due to the competitive nature of the industries that the Fund operates in, executive talent have significant career mobility and, as a result, the competition for experienced executives is great. The existence of this competition, and the need for talented and experienced executive officers to realize the Fund's business objectives underlies the design and implementation of the Fund's compensation programs. At the same time, the Fund seeks to keep its approach to compensation simple and streamlined to reflect the growing but still relatively small size of the Fund's businesses.

The Fund's overall approach to compensation is to provide senior executives with total compensation that is generally competitive to that of similar positions in the industry and in Canadian public issuers of similar size as the Fund. Senior executive compensation comprises a base salary, performance-based incentives and option-based awards. Base salaries are generally set at the lower end of the competitive compensation range for each position, with performance-based incentives providing the opportunity for total compensation at the higher end of the range. Performance-based incentives include annual cash bonuses and awards that reflect the Fund's operating results as well as achievement of significant strategic initiatives. Option-based awards enable the Fund to attract and retain executive talent by aligning the executives' interests with the Fund's long-term corporate objectives.

The objectives of the Fund's compensation program are to:

- attract and retain qualified executive officers;
- motivate executive officers to deliver strong business performance;
- maintain competitive compensation levels for executive officers;
- ensure a significant portion of executive compensation is dependent upon individual and overall business performance, aligning the interests of executive officers with the interests of Unitholders, to create Unitholder value; and
- ensure the executive compensation program is simple to communicate and administer.

The Fund believes that compensation levels should reflect performance – both personal performance of the Named Executive Officers (as hereafter defined) and the performance of the Fund as a whole. The Fund provides a base fixed compensation, as well as compensation that is variable, or “at risk” in nature. This approach helps link compensation to performance by making a significant portion of the Named Executive Officers' compensation in any given year variable and thus subject to decrease or increase based on Fund and individual performance during the year. This approach also aligns the interest of the Named Executive Officers with Unitholders.

While the Fund's objective is to pay for performance and remain competitive in the marketplace for executive talent, the Fund considers the expense of compensation and benefits in relation to the Fund's consolidated budget and financial strength as a significant factor in determining compensation levels. To this effect, the Fund carefully considers information relating to the anticipated cost that will be incurred in making any determination with respect to proposed compensation decisions.

The Fund keeps its compensation program simple to communicate and administer by focusing on base salary and bonus. The Fund does not have any pension plan for the Named Executive Officers but does offer entitlement to a long-term incentive plan and an incentive unit option plan, as described below.

Performance Goals

The primary performance goal for the Chief Executive Officer is to increase the Fund's long-term cash flow and facilitate growth in the price of the Fund's Units. The Chief Executive Officer is incentivised to achieve this goal because he is currently compensated by means of options granted under the Fund's option plan (as described below), along with a base salary that is set at the lower end of the competitive compensation range for that position.

The performance goals for the other Named Executive Officers include both Fund objectives and individual objectives:

- operating return on assets achieved by the Fund, and by the Named Executive Officer's responsibility;
- operating efficiency through diligent monitoring of operating costs;
- contribution to achievement of annual corporate initiatives (eg. training program development, marketing campaign and new product introduction); and
- individual objectives agreed to with the Chief Executive Officer, such as contribution to the development of employee talent for future management potential.

Elements of Compensation

Base Salary

The Fund pays base salaries to attract and retain executive talent and provide fair and competitive compensation commensurate with experience and consistent effective performance in discharging day-to-day responsibilities. Base salary is important to give an individual financial stability for personal planning purposes.

Base salaries of the Named Executive Officers are first recommended by the Compensation Committee and, through subsequent discussions with the Named Executive Officers, the salary amounts are ultimately agreed upon by both parties. The determination of the Named Executive Officers' base salaries has not, to date, entailed formal processes such as referencing salary levels in the industry in which the Fund operates, reviews of information drawn from sources such as proxy statements of competitive companies of comparable size and complexity, or surveys conducted by compensation consultants.

In reviewing the base salary of each Named Executive Officer, the Fund considers the responsibilities, performance and experience of the Named Executive Officer, historical compensation and contractual commitments, and the recommendations of the Chief Executive Officer (for all Named Executive Officers other than the Chief Executive Officer). The Chief Executive Officer's base salary is reviewed and recommended for adjustment, if any, by the Compensation Committee. In considering base salary levels, the Compensation Committee does not utilize any specific weighting of the above factors.

During 2010, Mr. Yam's annual base salary increased from \$133,000 to \$148,000 to reflect market rates.

During 2010, Mr. Shorten's annual base salary increased from \$75,000 to \$145,000 as a result of his appointment as the Fund's Chief Operating Officer in July 2010.

Annual Non-Equity Incentive Plan

In addition to base salaries, the Fund provides the Named Executive Officers, other than the Chief Executive Officer, with annual non-equity incentive awards that are paid as cash. These awards are based on the achievement of Fund in relation to the relevant individual performance goals referred to above and the overall discretion of the Compensation Committee especially in the case of meaningful performance by a Named Executive Officer. Target short-term incentive awards are set as a percentage of a Named Executive Officer's base salary.

For 2010, Mr. Yam’s incentive payout was based on his efforts in completing certain corporate strategic initiatives, namely acquisition of new businesses, obtaining financing, enhancement of internal controls for the Fund and its subsidiaries as well as management of the gradual rollout of International Financial Reporting Standards. The incentive payout amount was determined based on the extent to which such corporate strategic initiatives were achieved. The incentive payment was designed to align Mr. Yam’s short-term compensation, being a combination of the base salary and annual non-equity incentive payout, to the market level. Mr. Shorten’s incentive payout was based on his efforts in completing certain corporate strategic initiatives including acquisition of new businesses, integration of businesses acquired, continuous integration of the Fund’s existing network of operations and operating earnings (EBITDA) achieved by the Fund. Messrs. McAleer and Taylor’s incentive payout was based on a certain percentage of operating earnings (EBITDA) achieved by the Fund and for continuous integration of the Fund’s network of operations. See “Non-GAAP Measures” in the Fund’s management’s discussion and analysis for the year ended December 31, 2010 found on SEDAR at www.sedar.com for a more detailed discussion of EBITDA.

In addition to a base salary, the Chief Executive Officer is eligible for an annual non-equity incentive award upon the Compensation Committee’s review of his performance in relation to the established performance goals described above. He is also currently compensated by means of options granted under the Fund’s option plan and he is eligible to be compensated under the Fund’s LTIP, each as described below. The Chief Executive Officer did not receive any annual non-equity incentive awards during 2010.

The following table sets out the annual incentive plan awards during 2010 for the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer and the two other most highly compensated executive officers (collectively, the “**Named Executive Officers**”).

Name and principal position	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Unit-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Darren T. Latoski Chief Executive Officer	—	—	—
Carlos Yam Chief Financial Officer	—	—	50,000
Geoff Shorten Chief Operating Officer	—	—	68,253
Ron McAleer Regional Manager BC & Corporate Fleet Manager	—	—	92,064
Steve Taylor Vice President of Corporate Accounts and Marketing	—	—	92,064

(1) On the date of vesting, being the second anniversary of the option grant date of July 9, 2008, the market price of a Unit was below the exercise price of \$4.90. Consequently, the dollar value that would have been realized was \$nil. For further details of the Fund’s option plan see “Option-Based Awards” below.

Long-Term Incentive Plan

The Trustees, Directors, officers and certain key employees of the Fund and its direct and indirect subsidiaries are eligible to participate in the Fund’s long-term incentive plan (“**LTIP**”), which, along with the Fund’s WesternOne Equity Incentive Unit Option Plan, currently comprise long-term equity awards the Fund makes available to Named Executive Officers and other eligible persons. The purpose of the LTIP is to provide eligible participants with compensation opportunities that enhance the Fund’s ability to attract, retain and motivate key personnel and reward officers and key employees for significant long-term performance that results in the Fund exceeding its distributable cash targets. Pursuant to the LTIP, the Fund will arrange to have set aside a pool of funds

based upon the amount, if any, by which the distributable cash per Unit on a fully-diluted basis exceeds certain defined threshold amounts. The Fund will arrange to purchase Units with this pool of funds for the benefit of eligible participants and hold the Units until such time as ownership vests to each participant. Generally, these Units will vest equally over three calendar years, starting in the year in which the awards are granted. Unvested Units held for an LTIP participant will be forfeited if the participant resigns or is terminated for cause prior to the applicable vesting date, and those Units will be sold and the proceeds returned to the Fund.

The LTIP is administered by the Compensation Committee.

The LTIP provides for awards that may be earned based on the amount by which cash available for distribution per Unit (as measured on a fully-diluted basis), exceeds a base distribution threshold on \$0.65 per Unit per annum. The percentage amount of that excess which forms the LTIP incentive pool is determined in accordance with the table below:

<u>Percentage by which Cash Available for Distribution per Unit Exceeds Base Distribution Threshold</u>	<u>Maximum Proportion of Excess Cash Available for Distribution for LTIP Payments</u>
over 5% to 10%	15% of any excess over 5% to 10%
greater than 10%	20% of any excess over 10%

The base distribution threshold is subject to adjustment by the Compensation Committee from time to time.

For the year ended December 31, 2010, the cash available for distribution per Unit did not exceed the threshold. Accordingly, no amounts were paid out under the LTIP for the 2010 fiscal year.

Option-Based Awards

On July 9, 2008, the Fund granted Unit options under the WesternOne Equity Incentive Unit Option Plan to Named Executive Officers, Directors, Trustees and certain employees to purchase, in aggregate, up to 463,000 Units. Each Unit option provides the holder with the right for up to ten years to purchase one Unit at an exercise price of \$4.90. Vesting occurs equally over five years subsequent to the grant date.

On April 16, 2009, the Unitholders approved the amendment of the WesternOne Equity Incentive Unit Option Plan to provide the grant of and issuance of incentive Unit options to purchase up to a maximum of 10% of the issued and outstanding units of the Fund on a “rolling” basis.

On February 10, 2010, the Fund granted Unit options under the WesternOne Equity Incentive Unit Option Plan to Named Executive Officers, Directors, Trustees and certain employees to purchase, in aggregate, an additional 503,000 Units. Each Unit option provides the holder with the right for up to ten years to purchase one Unit at an exercise price of \$4.30. Vesting occurs equally over five years subsequent to the grant date.

Unit options are provided to focus Named Executive Officers and others within the organization, on corporate performance over a period of time longer than one year in recognition of long-term horizons for return on investments and strategic decisions. The level of Unit option awards given to each Named Executive Officer is determined by his or her position, and his or her potential future contributions to the Fund. All option-based awards are reviewed by the Compensation Committee and then recommended to the Board of Trustees for approval. The Compensation Committee determines a meaningful level of award for employees ranging from key employees to the Chief Executive Officer, taking into consideration the number of Unit options authorized and available for grant and the time horizon over which such Unit options would be granted to the appropriate individuals to promote long-term performance.

The following table sets out the option-based incentive awards outstanding at December 31, 2010 for the Named Executive Officers.

Name and principal position	Number of securities underlying unexercised options (#)	Option-based awards		Value of unexercised in-the-money options (\$)	Unit-based awards	
		Option exercise price (\$)	Option expiration date (\$)		Number of Units that have not vested (\$)	Market or payout value of Unit-based awards that have not vested (\$)
Darren T. Latoski ⁽¹⁾ Chief Executive Officer	160,000 50,000	4.90 4.30	July 9, 2018 February 10, 2020	— 5,000	—	—
Carlos Yam Chief Financial Officer	40,000 40,000	4.90 4.30	July 9, 2018 February 10, 2020	— 4,000	—	—
Geoff Shorten Chief Operating Officer	25,000 40,000	4.90 4.30	July 9, 2018 February 10, 2020	— 4,000	—	—
Ron McAleer Regional Manager BC & Corporate Fleet Manager	25,000 25,000	4.90 4.30	July 9, 2018 February 10, 2020	— 2,500	—	—
Steve Taylor Vice President of Corporate Accounts and Marketing	25,000 25,000	4.90 4.30	July 9, 2018 February 10, 2020	— 2,500	—	—

(1) Of the total Unit options granted to Mr. Latoski, he received 60,000 Unit options in his capacity as a Trustee of the Fund.

55,000 Unit options in the table above were vested during 2010.

The following table sets out the number of Units to be issued upon exercise of the outstanding Unit options under the WesternOne Equity Incentive Unit Option Plan, weighted-average exercise price of the outstanding Unit options, and the number of Units remaining available for future issuance under the WesternOne Equity Incentive Unit Option Plan, as at December 31, 2010:

Plan Category	Number of Units to be issued upon exercise of outstanding Unit options	Weighted-average exercise price of outstanding Unit options (\$)	Number of Units remaining available for future issuance under equity compensation plans
Equity compensation plan approved by Unitholders	957,000	4.59	431,902
Equity compensation plan not approved by Unitholders	—	—	—

Setting Executive Compensation

Roles and Responsibilities

The Compensation Committee is responsible for the administration of the Fund's compensation programs for the Named Executive Officers. The Committee members are Jon A. Gordon, Robert W. King and T. Richard Turner. None of the Compensation Committee members are current or former officers or employees of the Fund, the Trust or WesternOne Equity GP. Members of management, including the Chief Executive Officer, are invited to

Committee meetings from time to time, but excused from discussions and decisions with respect to their particular compensation decisions.

The Chief Executive Officer is actively engaged in the Fund's compensation programs (other than with respect to his own compensation package). The Chief Executive Officer conducts an annual evaluation of each of the Named Executive Officer's performance for the previous year, and recommends salary adjustments and short-term incentive awards to the Compensation Committee. The recommendations are reviewed and approved by the Committee after discussion and adjustment, if appropriate.

Process

Performance goals for the purpose of executive compensation are reviewed and set by the Board of Directors of WesternOne Equity GP and the Compensation Committee at meetings held typically in March of each year. The Board of Directors, in consultation with management, sets the Fund's organizational wide performance goals, and the Compensation Committee, in consultation with the Chief Executive Officer, sets each of the other Named Executive Officer's individual performance goals and compensation targets.

The results of the Named Executive Officers' performance and compensation review by the Compensation Committee is communicated to the Named Executive Officers in March of each year.

Benefits and Perquisites

The Fund offers only limited perquisites to the Named Executive Officers, and only where the Fund believes such perquisites promote the retention of the Named Executive Officers or promote the efficient performance of the Named Executive Officers' duties. In addition to benefits that are made available to all employees, Messrs. McAleer and Taylor are each provided with a vehicle leased by the respective Business LP they are employed by. They are also reimbursed for vehicle operating expenses. Mr. Taylor was provided with an education allowance in relation to a post-graduate program, which was completed in 2010. Mr. Yam and Mr. Shorten are provided with a monthly auto allowance. The Fund does not believe that perquisites and benefits should represent a significant portion of the compensation package for Named Executive Officers. In 2010 Name Executive Officers' perquisites and benefits represented less than 10% of total compensation for the Named Executive Officers.

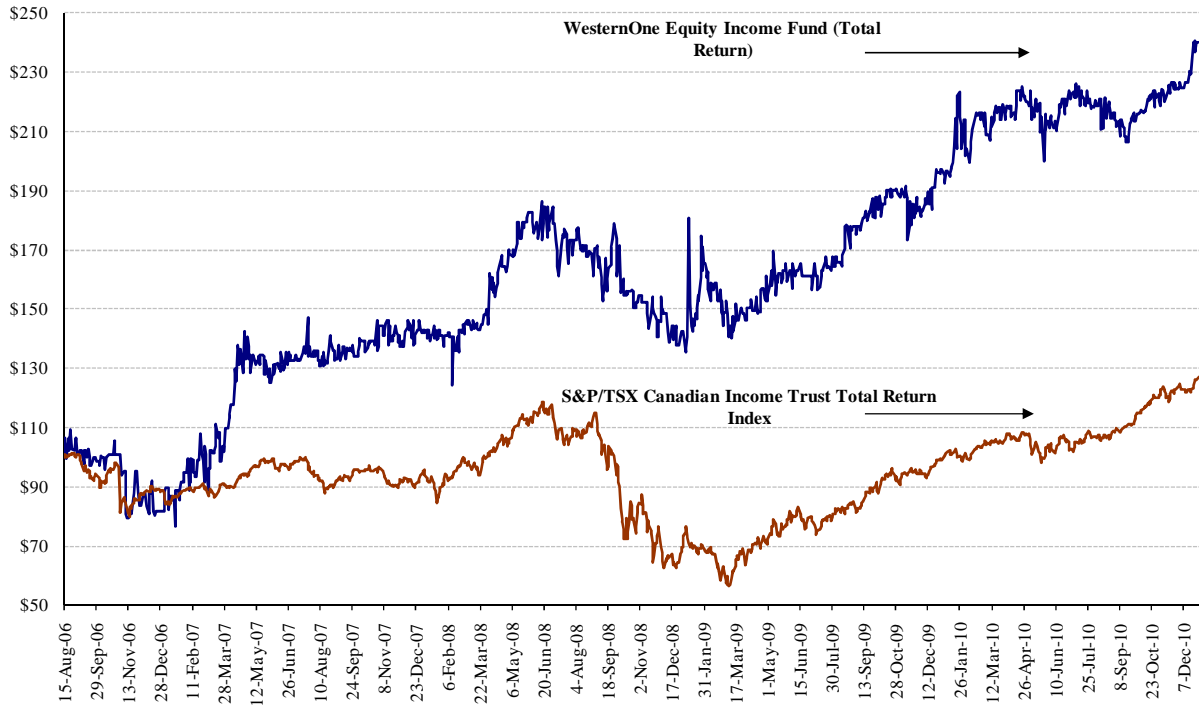
Recovery of Compensation

The Compensation Committee has not developed a policy specifying the consequences with respect to past compensation payments or awards if misconduct or mistake by a Business LP or its employees will result in a restatement of its financial statements. In the event of a restatement, the Committee will develop an appropriate response in relation to past compensation payments or awards.

Performance Graph

The Fund's Units commenced trading on the TSX Venture Exchange on August 15, 2006 and the Units graduated to trade on the Toronto Stock Exchange on May 20, 2008. The following performance graph compares the cumulative total Unitholder return, including the reinvestment of distributions, from August 15, 2006, the date upon which the Fund completed its initial public offering, to December 31, 2010 of a \$100 investment in the Units of the Fund made on August 15, 2006 with the total return of the S&P/TSX Canadian Income Trust Total Return Index.

Cumulative Total Return
For the Period August 15, 2006 to December 31, 2010
Value of \$100 Invested on August 15, 2006



The December 31, 2010 value of \$100 invested on August 15, 2006 in the Fund and the S&P/TSX Canadian Income Trust Total Return Index was \$237.56 and \$125.74, respectively.

Except for the Chief Executive Officer who is currently compensated by means of a base salary and options granted under the Fund's WesternOne Equity Incentive Unit Option Plan, the compensation for the other Named Executive Officers is based primarily on the financial performance of the Fund's businesses rather than the performance of the Fund's Unit price. As a result, the executive compensation may not compare to the trend shown by the graph above. However, Unit option grants to the executives are based on the market price of the Fund's Units and this is in agreement with the trend of the above graph.

	Aug 15, 2006	Dec 29, 2006	Jun 29, 2007	Dec 31, 2007	Jun 30, 2008	Dec 31, 2008	Jun 30, 2009	Dec 31, 2009	Jun 30, 2010	Dec 31, 2010
WesternOne Equity Income Fund (Total Return)	\$100.00	\$82.23	\$132.54	\$141.80	\$182.54	\$142.33	\$161.07	\$197.25	\$221.21	\$237.56
S&P/TSX Canadian Income Trust Index (Total Return)	\$100.00	\$88.56	\$97.49	\$94.42	\$117.55	\$69.79	\$79.91	\$99.25	\$102.85	\$125.74

Summary Compensation Table

The following table sets forth all compensation earned for the fiscal year ended December 31, 2010 and the two preceding fiscal years by the Named Executive Officers.

Name and principal position	Fiscal Year	Salary ⁽³⁾ (\$)	Unit-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Darren T. Latoski ⁽¹⁾ Chief Executive Officer	2010	145,000	—	16,785 ⁽⁴⁾	—	—	—	—	161,785
	2009	72,500	—	—	—	—	—	—	72,500
	2008	—	—	88,600 ⁽⁵⁾	—	—	—	—	88,600
Carlos Yam Chief Financial Officer	2010	148,000	—	13,428 ⁽⁴⁾	50,000 ⁽⁶⁾	—	—	—	211,428
	2009	133,000	—	—	40,000 ⁽⁶⁾	—	—	—	173,000
	2008	128,000	—	22,150 ⁽⁵⁾	32,000 ⁽⁶⁾	—	—	—	182,150
Geoff Shorten ⁽²⁾ Chief Operating Officer	2010	126,250	—	13,428 ⁽⁴⁾	68,253 ⁽⁶⁾	—	—	—	207,931
	2009	75,000	—	—	99,250 ⁽⁶⁾	—	—	—	174,250
	2008	65,625	—	13,844 ⁽⁵⁾	67,917 ⁽⁶⁾	—	—	—	147,386
Ron McAleer Regional Manager BC & Corporate Fleet Manager	2010	72,000	—	8,393 ⁽⁴⁾	92,064	—	—	—	172,457
	2009	84,500	—	—	99,250	—	—	—	183,750
	2008	75,000	—	13,844 ⁽⁵⁾	111,438	—	—	—	200,282
Steve Taylor Vice President of Corporate Accounts and Marketing	2010	83,046	—	8,393 ⁽⁴⁾	92,064	—	—	—	183,503
	2009	77,000	—	—	99,250	—	28,989 ⁽⁷⁾	—	205,239
	2008	89,584	—	13,844 ⁽⁵⁾	111,438	—	—	—	214,866

(1) Mr. Latoski's base salary of \$145,000 commenced on July 1, 2009.

(2) Mr. Shorten's employment commenced on February 15, 2008 and was appointed as the Chief Operating Officer on July 12, 2010 with an annual salary of \$145,000.

(3) Includes accrued vacation that was paid out during the year.

(4) Messrs. Latoski, Yam, Shorten, McAleer and Taylor were granted 50,000, 40,000, 40,000, 25,000 and 25,000 Unit options on February 10, 2010, respectively. The fair value of options issued was estimated at the date of grant, using a Black-Scholes Option Pricing Model. The weighted average fair value of Unit options granted was \$0.34 per Unit option. The exercise price per Unit option is the fair market value of Units at the time of grant, determined as the weighted average price at which the Units have traded on the Toronto Stock Exchange during the period of five consecutive trading days ending on the trading day immediately prior to the date such Unit options were granted. Vesting of these Unit options occurs evenly over five years.

(5) Messrs. Latoski, Yam, Shorten, McAleer and Taylor were granted 100,000, 40,000, 25,000, 25,000 and 25,000 Unit options on July 9, 2008, respectively. Mr. Latoski was granted an extra 60,000 Unit options as a Trustee of the Fund, the value of which has been included in this amount. The fair value of options issued was estimated at the date of grant, using a Black-Scholes Option Pricing Model. The weighted average fair value of Unit options granted was \$0.55 per Unit option. The exercise price per Unit option is the fair market value of Units at the time of grant, determined as the weighted average price at which the Units have traded on the Toronto Stock Exchange during the period of five consecutive trading days ending on the trading day immediately prior to the date such Unit options were granted. Vesting of these Unit options occurs evenly over five years.

(6) The incentives were paid in the subsequent year.

(7) Mr. Taylor received education allowances during the year in relation to a post-graduate program.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Fund believes that severance and change of control benefits can be necessary in order to attract and retain high calibre executive talent. Severance benefits are appropriate, particularly with respect to a termination without cause since in that scenario, both the Fund and the Named Executive Officer have a mutually agreed upon severance package that is in place prior to any termination event which provides certainty and the flexibility to make changes in executive management if such change is in the best interests of the Fund. Change in control benefits are intended to ensure stability of leadership at a time of heightened uncertainty and to better enable Named Executive Officers to advise the board whether an ownership change proposal is in the best interests of the Fund's owners

without such officers being unduly influenced by the possibility of employment termination. Severance and change in control benefits are negotiated and set with regard to the experience level of the individual, the complexity of the position and other relevant market factors.

Mr. Latoski entered into an employment agreement with the Partnership for an indefinite term but it may be terminated by Mr. Latoski upon six months notice. In addition to a base salary, Mr. Latoski is eligible to participate in the Fund's LTIP and has been granted Unit options. In the event Mr. Latoski's employment is terminated without cause, he will be paid for one times the trailing twelve months base salary plus incentive amounts. In addition, Mr. Latoski will be entitled to continue his employee benefits for a term of 12 months. The employment agreement contains confidentiality, non-solicitation and non-competition covenants by Mr. Latoski, which will continue for one year after Mr. Latoski ceases to be employed by the Partnership.

Mr. Yam entered into an employment agreement with the Partnership for an indefinite term but it may be terminated by Mr. Yam upon three months notice. Mr. Yam is currently paid an annual salary of \$148,000 plus a bonus, if any, determined by the Compensation Committee, and he is eligible to participate in the Fund's LTIP and has been granted Unit options. In the event Mr. Yam's employment is terminated without cause, he will be paid for one times the trailing twelve months base salary plus incentive amounts. In addition, Mr. Yam will be entitled to continue his employee benefits for a term of 12 months. In the event of a change in control of the Fund and should Mr. Yam's employment be terminated for reasons other than termination for cause, Mr. Yam will be entitled to 12 times the monthly base salary paid to him at the time the change in control takes place, plus continuation of his employee benefits for a term of 12 months. The employment agreement contains confidentiality, non-solicitation and non-competition covenants by Mr. Yam, which will continue for one year after Mr. Yam ceases to be employed by the Partnership.

Mr. Shorten entered into an employment agreement with WEQ Deerfoot Rentals LP, a subsidiary of the Partnership, for an indefinite term but it may be terminated by Mr. Shorten upon three months notice. Mr. Shorten is currently paid an annual salary of \$145,000 plus an incentive bonus based on prescribed financial criteria, and he is eligible to participate in the Fund's LTIP and has been granted Unit options. In the event Mr. Shorten's employment is terminated without cause, he will be paid for one times the trailing 12 months base salary plus incentive amounts that he would have otherwise been entitled over the next 12 months. In addition, Mr. Shorten will be entitled to continue his employee benefits for a term of 12 months. In the event of a change in control of the Fund and should Mr. Shorten's employment be terminated for reasons other than termination for cause, Mr. Shorten will be entitled to one times the trailing 12 months base salary plus incentive amounts, and continuation of his employee benefits for a term of 12 months. The employment agreement contains confidentiality, non-solicitation and non-competition covenants by Mr. Shorten, which will continue for three years after Mr. Shorten ceases to be employed by WEQ Deerfoot Rentals LP.

Mr. McAleer entered into an employment agreement with WEQ Production Equipment LP, a subsidiary of the Partnership, for an indefinite term but it may be terminated by Mr. McAleer upon three months notice. Mr. McAleer is currently paid an annual salary of \$72,000 plus an incentive bonus based on prescribed financial criteria, and he is eligible to participate in the Fund's LTIP and has been granted Unit options. In the event Mr. McAleer's employment is terminated without cause, he will be paid for one times the trailing 12 months base salary plus incentive amounts that he would have otherwise been entitled to in the next 12 months. In addition, Mr. McAleer will be entitled to continue his employee benefits for a term of 12 months. In the event of a change in control of the Fund and should Mr. McAleer's employment be terminated for reasons other than termination for cause, Mr. McAleer will be entitled to one times the trailing 12 months base salary plus incentive amounts, and continuation of his employee benefits for a term of 12 months. The employment agreement contains confidentiality, non-solicitation and non-competition covenants by Mr. McAleer, which will continue for one year after Mr. McAleer ceases to be employed by WEQ Production Equipment LP.

Mr. Taylor entered into an employment agreement with WEQ Production Equipment LP, a subsidiary of the Partnership, for an indefinite term but it may be terminated by Mr. Taylor upon three months notice. Mr. Taylor is currently paid an annual salary of \$72,000 plus an incentive bonus based on prescribed financial criteria, and he is eligible to participate in the Fund's LTIP and has been granted Unit options. In the event Mr. Taylor's employment is terminated without cause, he will be paid for one times the trailing 12 months base salary plus incentive amounts that he would have otherwise been entitled to over the next 12 months. In addition, Mr. Taylor will be entitled to

continue his employee benefits for a term of 12 months. In the event of a change in control of the Fund and should Mr. Taylor's employment be terminated for reasons other than termination for cause, Mr. Taylor will be entitled to one times the trailing 12 months base salary plus incentive amounts, and continuation of his employee benefits for a term of 12 months. The employment agreement contains confidentiality, non-solicitation and non-competition covenants by Mr. Taylor, which will continue for one year after Mr. Taylor ceases to be employed by WEQ Production Equipment LP.

The following table summarizes estimated incremental payments (other than salary and vacation pay up to the date of termination which would also be payable) that would have been payable to the Named Executive Officers under their termination and change of control agreements assuming the triggering events took place on December 31, 2010.

Name and principal position	Termination without cause			Change of control		
	Base salary (\$)	Incentive amount (\$)	Total (\$)	Base salary (\$)	Incentive amount (\$)	Total (\$)
Darren T. Latoski Chief Executive Officer	145,000	—	145,000	—	—	—
Carlos Yam Chief Financial Officer	148,000	50,000	198,000	148,000	—	148,000
Geoff Shorten Chief Operating Officer	126,250	68,253	194,503	126,250	68,253	194,503
Ron McAleer Regional Manager BC & Corporate Fleet Manager	72,000	92,064	164,064	72,000	92,064	164,064
Steve Taylor Vice President of Corporate Accounts and Marketing	72,000	92,064	164,064	72,000	92,064	164,064

Pension Plan Benefits

The Fund and its direct and indirect subsidiaries do not have a defined benefit plan, deferred contribution plan or a deferred compensation plan.

Compensation of Trustees and Directors

The following table provides a summary of compensation provided to the non-executive Trustees and the Directors of the Fund and WesternOne Equity GP, respectively, for the most recently completed financial year:

Name	Fees Earned (\$)	Unit-Based Awards (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Stephen J. Evans	28,500	—	6,714	—	—	—	35,214
Jon A. Gordon	28,000	—	6,714	—	—	—	34,714
Robert W. King	40,000	—	10,910	—	—	—	50,910
Douglas R. Scott	41,000	—	10,910	—	—	—	51,910
T. Richard Turner	37,000	—	10,910	—	—	—	47,910

(1) Messrs. Evans, Gordon, King, Scott and Turner were granted 20,000, 20,000, 32,500, 32,500 and 32,500 Unit options on February 10, 2010, respectively. The fair value of options issued was estimated at the date of grant, using a Black-Scholes Option Pricing Model. The weighted average fair value of Unit options granted was \$0.34 per Unit option. The exercise price per Unit option is the fair market value of Units at the time of grant, determined as the weighted average price at which the Units have traded on the Toronto Stock Exchange during the period of five consecutive trading days ending on the trading day immediately prior to the date such Unit options were granted. Vesting of these Unit options occurs evenly over five years.

The following table sets out the annual incentive plan awards during 2010 for non-executive Trustees and the Directors of the Fund and WesternOne Equity GP, respectively.

Name and principal position	Option-based awards – Value	Unit-based awards – Value	Non-equity incentive plan
	vested during the year	vested during the year	compensation – Value earned during the year
	(\$)	(\$)	(\$)
Stephen J. Evans	—	—	—
Jon A. Gordon	—	—	—
Robert W. King	—	—	—
Douglas R. Scott	—	—	—
T. Richard Turner	—	—	—

- (1) On the date of vesting, being the second anniversary of the option grant date of July 9, 2008, the market price of a Unit was below the exercise price of \$4.90. Consequently, the dollar value that would have been realized was \$nil. For further details of the Fund's option plan see "Option-Based Awards" above.

The following table sets out in more detail the option-based incentive awards outstanding at December 31, 2010 for Trustees and Directors of the Fund and WesternOne Equity GP, respectively.

Name and principal position ⁽¹⁾	Option-based awards			Unit-based awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of Units that have not vested	Market or payout value of Unit-based awards that have not vested
	(#)	(\$)	(\$)	(\$)	(\$)	(\$)
Stephen J. Evans	20,000	4.90	July 9, 2018	—	—	—
	20,000	4.30	February 10, 2020	2,000	—	—
Jon A. Gordon	20,000	4.90	July 9, 2018	—	—	—
	20,000	4.30	February 10, 2020	2,000	—	—
Robert W. King	32,500	4.90	July 9, 2018	—	—	—
	32,500	4.30	February 10, 2020	3,250	—	—
Douglas R. Scott	25,000	4.90	July 9, 2018	—	—	—
	32,500	4.30	February 10, 2020	3,250	—	—
T. Richard Turner	32,500	4.90	July 9, 2018	—	—	—
	32,500	4.30	February 10, 2020	3,250	—	—

- (1) Darren Latoski was granted a total of 160,000 Unit Options on July 9, 2008, comprised of 100,000 Unit options as the Chief Executive Officer of the Fund (see "Summary Compensation Table" above) and 60,000 Unit options as a Trustee of the Fund.

26,000 Unit options in the table above were vested during 2010.

The annual compensation for each Trustee or Director is \$25,000 plus \$1,000 for each board or committee meeting the Trustee or Director attends or \$500 for each board or committee meeting attended by telephone. No Trustee compensation is paid to Trustees who are members of management of the Partnership and no Trustee receives additional compensation for acting as a Director of WesternOne Equity GP (other than the fees for attending board or committee meetings that do not run concurrently with meetings of the Trustees). Trustees and Directors are also entitled to be reimbursed for reasonable expenses incurred by them in connection with their services. The Chair of the Board of Trustees, the Chair of the Audit Committee and the Chair of the Compensation Committee of WesternOne Equity GP each receive an additional annual compensation of \$5,000.

The aggregate amount paid to the Trustees and Directors as compensation (including options granted during the year), for acting as Trustees and Directors, during the year ended December 31, 2010 was \$220,658.

Trustees', Directors' and Officers' Liability Insurance

WesternOne Equity GP maintains a policy of insurance for the Trustees, the trustees of the Trust and the Directors and the officers of WesternOne Equity GP. The insurance expires August 1, 2011. The aggregate limit of liability applicable to all insured trustees, directors and officers under the policy is \$15 million inclusive of defence costs and a deductible amount of \$50,000. The premium paid from January 31, 2010 to December 31, 2010 was \$47,694.

INDEBTEDNESS OF TRUSTEES AND DIRECTORS AND OFFICERS OF WESTERNOE EQUITY GP

The following table summarizes the aggregate indebtedness of the Trustees, Directors and officers of WesternOne Equity GP and its subsidiaries as at May 3, 2011:

Purpose	Aggregate indebtedness (\$)	
	To the Fund or its subsidiaries	To another entity
Unit purchases	98,617	—
Other	—	—

The following table sets out in more detail the indebtedness of the Trustees, Directors and officers:

Name and principal position	Involvement of the Fund or subsidiary	Indebtedness of directors and executive officers under securities purchase and other programs				Amount forgiven during the year ended December 31, 2010
		Largest amount outstanding during the year ended December 31, 2010 (\$)	Amount outstanding as at May 3, 2011 (\$)	Financially assisted securities purchases during the year ended December 31, 2010	Security of indebtedness	
Securities purchase program						
Carlos Yam ⁽¹⁾ Chief Financial Officer	Subsidiary	100,000	98,617	22,900 Units	Refer to note 1 below	—
Other programs						
—	—	—	—	—	—	—

- (1) On December 13, 2010, the Fund provided an executive loan (the "**Executive Loan**") to Mr. Yam (the "**Borrower**") of \$100,000 to purchase Units. The Executive Loan charges interest at HSBC Bank Canada's prime rate plus 1.00%. The Executive Loan is repayable with equal monthly instalment, and shall be repaid in full by December 31, 2020. The recourse of the Fund against the Borrower before the earlier of January 1, 2014 and the date that the employment of the Borrower with the Fund or any of its affiliates is terminated without cause, shall be unlimited in its scope and may include, without limitation, recourse against the Units purchased through the Executive Loan, real property and any other assets of the Borrower. The recourse of the Fund against the Borrower after the earlier of December 31, 2013 and the date that the employment of the Borrower with the Fund or any of its affiliates is terminated without cause, shall be against the Units purchased through the Executive Loan and the present and future estate, right, title and interest of the Borrower therein and thereto.

Except for the Executive Loan, no current or former Trustee, proposed nominee for election as a Trustee, Director or senior officer of the Fund, the Trust and WesternOne Equity GP, or an associate of any of the foregoing is, or at any time during the Fund's most recently completed financial year was, indebted to: (i) the Fund; (ii) the Trust; (iii) WesternOne Equity GP; or (iv) to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Fund, the Trust and WesternOne Equity GP, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular and the Fund's consolidated financial statements for the fiscal period ended December 31, 2010, no insider of the Fund nor any proposed nominee for election as a Trustee,

nor any associate or affiliate of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Fund's last financial year or in any proposed transaction which has materially affected or would materially affect the Fund or WesternOne Equity GP.

MANAGEMENT CONTRACTS

The Fund and the Trust have each entered into an administration agreement effective August 15, 2006 with the Partnership whereby the Partnership provides certain administrative and support services to the Fund and the Trust, including without limitation, those necessary to: (i) ensure compliance by the Fund with all applicable securities legislation, including continuous disclosure obligations; (ii) provide investor relations services; (iii) provide or cause to be provided to Unitholders all information to which Unitholders are entitled under the Declaration of Trust, including relevant information with respect to financial reports and income taxes; (iv) call and hold all meetings of Unitholders and distribute required materials, including notices of meetings and information circulars, in respect of all such meetings; (v) compute, determine and make distributions to Unitholders and holders of securities of the Trust properly payable by the Fund or the Trust, as the case may be; (vi) attend to all administrative and other matters arising in connection with any redemption of Units or securities of the Trust; (vii) ensure compliance with the Fund's limitations on non-resident and other ownership and ownership of foreign property; and (viii) generally provide all other services as may be necessary or as requested by the Trustees or the trustees of the Trust, for administration of the Fund or the Trust, as the case may be. No fee is payable in connection with the provision of the administrative services. All reasonable out of pocket expenses incurred by the Partnership in connection with the provision of these services will be for the account of the Fund or the Trust, as the case may be. The administration agreement has an initial term of 10 years.

STATEMENT OF CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, a disclosure of the Fund's governance system is attached to this Information Circular as Schedule "B".

APPOINTMENT OF AUDITORS

At the Meeting, the Unitholders will be called upon to appoint KPMG LLP, Chartered Accountants, as auditors of the Fund, to hold office until the next annual meeting of the Fund, at a remuneration to be fixed by the Trustees. KPMG LLP has acted as the auditors of the Fund since July 23, 2008.

Unless such authority is withheld, the Trustee representatives named in the accompanying Form of Proxy intend to vote for the appointment of KPMG LLP, Chartered Accountants, as auditors of the Fund, to hold office until the next annual meeting of the Fund, at a remuneration to be fixed by the Trustees.

The Trustees recommend that the Unitholders vote for the appointment of KPMG LLP as auditors of the Fund, at a remuneration to be fixed by the Trustees.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON AT THE MEETING

Amendments to Declaration of Trust – Removal of Automatic Distributions and Amendments by Trustees

Background – Transition to IFRS

Deletion of Section 5.4(2) – Removal of Automatic Distributions

On February 13, 2008 the Canadian Accounting Standards Board confirmed that the adoption of the International Financial Reporting Standards ("IFRS") was effective for interim and annual periods beginning on or after January 1, 2011. IFRS replaced Canada's current generally accepted accounting principles ("GAAP") for publicly accountable enterprises, including the Fund. The Fund's transition from GAAP to IFRS took place in the first quarter of 2011 at which time the Fund will report both the current and comparative financial information using IFRS.

Under GAAP, the Units were presented as equity. Under both IFRS and GAAP, a Unit is a financial instrument, but under IFRS, a financial instrument is treated as a liability where it contains a contractual obligation to deliver cash or another financial asset to another entity. Section 5.4(2) of the Declaration of Trust of the Fund dated June 14, 2006 (the “**Declaration of Trust**”) contains a mandatory requirement that the Trust distribute to Unitholders no less than all of its taxable income and all of its net realized capital gains in each year. A mandatory requirement to distribute taxable income, such as the automatic distribution provisions set out in section 5.4(2) of the Declaration of Trust, may constitute a contractual obligation to deliver cash, resulting in the Units being considered as a liability for the purposes of IFRS.

The Trustees believe that Section 5.4(2) of the Declaration of Trust does constitute such a contractual obligation, with the result that, absent any amendment to the Declaration of Trust, the Units would be treated under IFRS as a liability, rather than as equity, on the Fund’s statement of financial position, and the Fund’s distributions would be treated as expenses in the Fund’s statement of comprehensive income. If this interpretation is correct and applicable to the Fund as the Trustees believe, the financial statements of the Fund would be materially affected upon adoption of IFRS, which the Trustees believe would create financial statements that might be confusing to Unitholders. Accordingly, and as part of the Fund’s transition to IFRS (as required by 2011 with comparatives for 2010), the Trustees have resolved, subject to approval by Unitholders, to amend the Declaration of Trust to delete Section 5.4(2) in its entirety, notwithstanding that the Trustees’ current approach to setting distribution levels has not changed, which approach is to pay distributions that the Trustees consider prudent to the Unitholders.

The deletion will remove the mandatory year-end distribution requirements from the Declaration of Trust, thereby confirming the discretionary nature of distributions described in Section 5.4(1). Other Canadian business trusts have typically had similar provisions (to Section 5.4(2)) in their declarations of trust and a number of these trusts have modified their declarations of trust, with the consent of unitholders, to remove or modify this mandatory distribution requirement and leave distributions wholly to the discretion of their trustees. The implementation of this change will allow the Fund to account for its issued and outstanding Units and distributions paid as part of Unitholders’ equity upon the Unitholders’ approval of such changes. Conversely, the Fund will not be required to re-characterize its Units under IFRS as a liability, and therefore all future distributions as an expense, in its financial statements from and after the date on which this amendment is effective.

The Trustees consider that the deletion of Section 5.4(2) of the Declaration of Trust is necessary for the Fund’s financial statements to be appropriately presented under IFRS.

Amendment to Section 11.1(b)(iv) – Amendments by the Trustees

The Fund will continue its evaluation of the potential impact of IFRS on the consolidated financial statements. This will be an ongoing process as the International Accounting Standards Board and the Canadian Accounting Standards Board issue new standards and recommendations and as the Canadian accounting profession interprets those standards and recommendations. Without an amendment to the Declaration of Trust to enable the Trustees to make amendments in connection with changes in accounting standards, the Fund may be unable to make necessary or desirable amendments to the Declaration of Trust in connection with any IFRS related accounting changes. In order to assist the Fund to effectively manage the impact from IFRS, the Trustees have determined that it would be desirable for the Trustees to be able to make such amendments or modifications to the Declaration of Trust without the requirement to obtain Unitholder approval in the same manner as the Declaration of Trust currently permits Trustees to act as it relates to changes in taxation laws. Accordingly, the Trustees have resolved, subject to approval by Unitholders, to amend Section 11.1(b)(iv) of the Declaration of Trust to permit the Trustees to make amendments resulting from changes in accounting standards in accordance with the foregoing description.

The text of Section 11.1(b)(iv) of the Declaration of Trust with the proposed amendment highlighted is as follows:

- (iv) "making amendments that, in the opinion of the Trustees, are necessary or desirable as a result of changes in accounting standards or taxation laws or policies of any governmental authority having jurisdiction over the Trustees or the Trust; or"

Other than as set out above, the Trustees are not currently aware of any necessary or desirable changes to the Declaration of Trust, but rather this change is contemplated in order to enable the Fund to efficiently implement

changes that may become necessary to assist in its transition to IFRS. Trustees will still be obligated to determine whether any such change is necessary or desirable in the circumstances, and all other matters that are currently required to be approved by Unitholders pursuant to the Declaration of Trust will remain unchanged.

Approval Required and Recommendation of the Trustees

At the Meeting, Unitholders of the Fund will be asked to consider and if thought appropriate, approve the special resolution in the form set out in Schedule A to this Information Circular, to authorize and approve the foregoing amendments to the Declaration of Trust (the “**Special Resolution**”). Pursuant to the Declaration of Trust, the Special Resolution will require the approval of more than 66 2/3% of the votes cast by Unitholders, voting in person or by proxy, at the Meeting.

The Trustees have unanimously concluded that: (a) the amendments to the Declaration of Trust are appropriate in order to assist the Fund in its transition to IFRS; (b) the amendments will not result in any material adverse change to the Unitholders; and (c) the Trustees recommend that the Unitholders vote to approve the Special Resolution set out in Schedule "A" to this Information Circular. The Trustee representatives named in the enclosed Form of Proxy intend to vote “for” this resolution, unless the Unitholder has specified in the form of proxy that its Units are to be voted against the resolution.

OTHER MATTERS

The Trustees know of no matters to come before the Meeting other than those referred to in the Notice of Annual and Special Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the Trustee representatives named in the Form of Proxy accompanying this Information Circular to vote the same in accordance with their best judgement of such matters.

ADDITIONAL INFORMATION

Additional information relating to the Fund may be found on SEDAR at www.sedar.com. Additional information in respect of the Audit Committee is contained in the Fund’s annual information form for its most recently completed financial year under the heading “Audit Committee Information”. Additional financial information is provided in the Fund’s audited consolidated financial statements and management’s discussion and analysis for the Fund’s most recently completed financial year. A copy of the Fund’s financial statements and management’s discussion and analysis is available, free of charge, upon written request to Carlos Yam, Chief Financial Officer of WesternOne Equity, Suite 910, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. These documents are also available on SEDAR at www.sedar.com.

APPROVAL OF CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the Trustees.

DATED at Vancouver, British Columbia, this 3rd day of May, 2011.

BY ORDER OF THE TRUSTEES

“Darren T. Latoski”

(signed) Darren T. Latoski
Trustee

SCHEDULE "A"

FORM OF SPECIAL RESOLUTION - AMENDMENTS TO DECLARATION OF TRUST

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Declaration of Trust of WesternOne Equity Income Fund (the "**Fund**") dated June 14, 2006 (the "**Declaration of Trust**") be amended by deleting Section 5.4(2) in its entirety, as more fully described in the accompanying Information Circular.
2. Section 11.1(b)(iv) of the Declaration of Trust be amended as follows (amended portions in italics, bold and underline):
 - (iv) "making amendments that, in the opinion of the Trustees, are necessary or desirable as a result of changes in *accounting standards or* taxation laws or policies of any governmental authority having jurisdiction over the Trustees or the Trust; or"
3. The amendments to the Declaration of Trust shall become effective, as determined by the trustees of the Fund (the "**Trustees**"), on or before July 1, 2011.
4. The Trustees are hereby authorized and directed to execute or cause to be executed on behalf of the Fund an amended and restated Declaration of Trust reflecting the foregoing changes and amendments (including any consequential amendments to the Declaration of Trust) and including any other change to the Declaration of Trust approved on the date hereof.
5. Any one or more of a group comprised of the Trustees of the Fund and the directors and officers of WesternOne Equity GP Inc. (in its capacity as the administrator of the Fund) is hereby authorized to execute or cause to be executed on behalf of the Fund and to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such individuals shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.



SCHEDULE “B”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The trustees are responsible for the governance of the Fund. Three of the four trustees are “independent”, as defined under *National Instrument 58-101 - Disclosure of Corporate Governance Practices*. The trustees have established an audit committee (“**Audit Committee**”) and a nominating and governance committee (“**Governance Committee**”) consisting of a majority of independent trustees.

WesternOne Equity GP Inc. (“**WesternOne Equity GP**”) oversees the operating business of WesternOne Equity LP (the “**Partnership**”). The Fund is the owner of 100% of the outstanding securities of WesternOne Equity GP. The board of directors of WesternOne Equity GP (the “**Board**”) has established a compensation committee (“**Compensation Committee**”).

As the operating business of the Partnership is overseen by WesternOne Equity GP, the focus on corporate governance practices is at both the Fund level and at the operating level and the focus on compensation practices is at the operating level. The trustees and the Board consider good governance to be central to the effective and efficient operation of the Fund and its subsidiaries and are committed to reviewing and adapting their governance practices so that they meet the Fund’s and its direct and indirect subsidiaries’ changing needs and to ensure compliance with regulatory requirements.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>1. Trustees/Board</p> <p>(a) Disclose the identity of trustees/directors who are independent.</p>	<p>Robert King, Douglas Scott and Richard Turner are independent trustees and Robert King, Richard Turner and Jon Gordon are independent directors.</p>
<p>(b) Disclose the identity of trustees/directors who are not independent, and describe the basis for that determination.</p>	<p>The trustees/Board have determined that Darren Latoski is not an independent trustee/director as he is President and Chief Executive Officer of the Fund, and that Stephen Evans is not an independent director as he is an executive of an entity that Mr. Latoski serves on the board of directors for. Neither of these individuals can be considered to be “independent” as that term is defined in <i>National Instrument 52-110 - Audit Committees</i> of the Canadian Securities Administrators.</p>
<p>(c) Disclose whether or not a majority of trustees/directors are independent. If a majority of trustees/directors are not independent, describe what the trustees/Board does to facilitate its exercise of independent judgement in carrying out its responsibilities.</p>	<p>A majority of the trustees and directors are independent.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>(d) If a trustee/director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the trustee/director and the other issuer.</p>	<p>None of the trustees/directors is presently a trustee/director of another reporting issuer except as follows:</p> <ul style="list-style-type: none"> • Mr. Evans is a director SRAI Capital Corp. Mr. Evans is also a director of the general partners of each of Sunstone Opportunity Fund (2005) Limited Partnership, and Sunstone Opportunity Fund (2006) Limited Partnership, Sunstone Opportunity Fund (2007) Limited Partnership, Sunstone Opportunity Fund (2008) Limited Partnership, Sunstone U.S. (2008) LP, Sunstone U.S. (No. 2) LP, Sunstone U.S. (No. 3) LP and Sunstone U.S. (No. 4) LP. In addition, Mr. Evans is a Director of Sunstone Investment Management Inc., in its capacity as Manager of Morguard Sunstone Real Estate Income Fund. Mr. Evans is a trustee of Pure Industrial Real Estate Trust and Huntingdon Real Estate Investment Trust. • Mr. King is a director of Wall Financial Corp. and SRAI Capital Corp. Mr. King is also a director of the general partners of Sunstone Opportunity Fund (2005) Limited Partnership. Mr. King is a director of the trustees of Sunstone Opportunity (2006) Debenture Fund, Sunstone Opportunity (2006) Realty Trust, Sunstone Opportunity (2007) Realty Trust, Sunstone Opportunity (2007) Mortgage Fund, Sunstone Opportunity (2008) Realty Trust, Sunstone Opportunity (2008) Mortgage Fund, Sunstone U.S. Opportunity Realty Trust, Sunstone U.S. Opportunity (No. 2) Realty Trust, Sunstone U.S. (No. 3) Realty Trust and Sunstone U.S. (No. 4) Realty Trust. Mr. King is also a trustee of Pure Industrial Real Estate Trust. • Mr. Latoski is a director of SRAI Capital Corp. Mr. Latoski is also a director of the general partners of each of Sunstone Opportunity Fund (2005) Limited Partnership, Sunstone Opportunity Fund (2006) Limited Partnership, Sunstone Opportunity Fund (2007) Limited Partnership, and Sunstone Opportunity Fund (2008) Limited Partnership. Mr. Latoski is also a director of the trustees of Sunstone Opportunity (2006) Debenture Fund, Sunstone Opportunity (2006) Realty Trust, Sunstone Opportunity (2007) Realty Trust, Sunstone Opportunity (2007) Mortgage Fund, Sunstone Opportunity (2008) Realty Trust, Sunstone Opportunity (2008) Mortgage Fund, Sunstone U.S. Opportunity Realty Trust, Sunstone U.S. (No. 2)

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
	<p>Realty Trust, Sunstone U.S. (No. 3) Realty Trust and Sunstone U.S. (No. 4) Realty Trust. Mr. Latoski is also a trustee of Pure Industrial Real Estate Trust. In addition, Mr. Latoski is a Director of Sunstone Investment Management Inc., in its capacity as Manager of Morguard Sunstone Real Estate Income Fund.</p> <ul style="list-style-type: none"> • Mr. Turner is board chair, president and chief executive officer of TitianStar Properties Inc. Mr. Turner is also a trustee of Pure Industrial Real Estate Trust. • Mr. Scott is a trustee of Pure Industrial Real Estate Trust. • Mr. Gordon is a trustee of Pure Industrial Real Estate Trust.
<p>(e) Disclose whether or not the independent trustees/directors hold regularly scheduled meetings at which non-independent trustees/directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent trustees/directors do not hold such meetings, describe what the trustees/Board does to facilitate open and candid discussion among its independent trustees/directors.</p>	<p>The majority of trustees/directors are independent. Members of management may be excluded from a portion of each regularly scheduled meeting of the trustees/Board, as required. Meetings where non-independent trustees/directors are not in attendance may be held as required by the trustees/Board; this is considered appropriate given the Fund's overall governance, and in particular, the majority of the trustees/directors being independent.</p> <p>All three members of the Fund's audit committee are independent trustees. Although management regularly participates in these meetings, an in-camera session is held at the end of each audit committee meeting. A total of four audit committee meetings (with in-camera sessions) were held during the most recently completed financial year.</p>
<p>(f) Disclose whether or not the chair of the trustees/Board is an independent trustee/director. If the trustees/Board has a chair or lead director who is an independent trustee/director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the trustees/Board has neither a chair that is independent nor a lead director that is independent, describe what the trustees/Board does to provide leadership for its independent trustees/directors.</p>	<p>Robert King is the chair of the trustees and is an independent trustee. Richard Turner is the chair of the Board and is an independent director.</p> <p>The chair of the trustees is responsible for providing leadership to the trustees, assisting the trustees in reviewing and monitoring the aims, strategy, policy and directions of the Fund and the achievement of its objectives, among other duties.</p> <p>The chair of the Board is responsible for providing leadership to the Board, coordinating with the Chief Executive Officer to ensure that management strategy, plans and performance are appropriately represented to the Board, unitholders, and other stakeholders as appropriate, among other duties.</p> <p>The role and responsibilities for each position are set forth in written position descriptions, supplemented from time to time.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>(g) Disclose the attendance record of each trustee/director for all trustee/Board meetings held since the beginning of the issuer’s most recently completed financial year.</p>	<p>The following information relates to meetings held since the beginning of the Fund’s most recently completed financial year.</p> <p>The attendance record of each trustee at the meetings of the Fund’s board is as follows:</p> <p>Robert W. King: 7/7 Darren T. Latoski: 7/7 Douglas R. Scott: 7/7 T. Richard Turner: 4/7</p> <p>The attendance record of each trustee for committee meetings of the Fund’s board is as follows:</p> <p>Robert W. King: 4/4 Douglas R. Scott: 4/4 T. Richard Turner: 3/4</p> <p>The attendance of record of each director at meetings of WesternOne Equity GP’s board is as follows:</p> <p>Stephen J. Evans: 5/6 Jon A. Gordon: 5/6 Robert W. King: 7/7 Darren T. Latoski: 7/7 T. Richard Turner: 4/7</p> <p>The attendance record of each director for committee meetings of WesternOne Equity GP’s board is as follows:</p> <p>Jon A. Gordon: 4/4 Robert W. King: 4/4 T. Richard Turner: 3/4</p>
<p>2. Trustee/Board Mandate</p> <p>Disclose the text of the trustees/Board’s written mandate. If the trustees/Board does not have a written mandate, describe how the trustees/Board delineates its role and responsibilities.</p>	<p>The text of the mandate of the trustees (called “Terms of Reference for the Trustees of WesternOne Equity Income Fund”), and the mandate of the Board (called “Terms of Reference for the Board of Directors of WesternOne Equity GP Inc.”) are attached to this information circular as Schedule “C” and Schedule “D”, respectively.</p>
<p>3. Position Descriptions</p> <p>(a) Disclose whether or not the trustees/Board has developed written position descriptions for the chair and the chair of each trustees/Board committee. If the trustees/Board has not developed written position descriptions for the chair and/or the chair of each trustees/Board committee, briefly describe how the trustees/Board delineates the role and responsibilities of each such position.</p>	<p>The trustees/Board has developed written position descriptions for the chairs of each of the trustees/Board, and the mandate for each committee of the trustees/Board contains written position descriptions for the chair of each committee.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	The Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer.
4. Orientation and Continuing Education (a) Briefly describe what measures the trustees/Board takes to orient new trustees/directors regarding	
(i) the role of the trustees/Board, its committees and its trustees/directors; and	The trustees/Board has adopted a Trustees and Directors Information Manual which contains, among other things, the mandates of the trustees, the Board and each of the committees of the trustees and the Board. This manual has been reviewed by the trustees/directors, and a copy of the manual has been provided to each of the trustees/directors.
(ii) the nature and operation of the issuer's business.	The Chief Executive Officer reviews with the trustees/Board at each meeting the nature and operations of the business of the Fund and its subsidiaries. The trustees/Board meets with other members of senior management of the Fund periodically to review each of their specific operations.
(b) Briefly describe what measures, if any, the trustees/Board takes to provide continuing education for its trustees/directors. If the trustees/Board does not provide continuing education, describe how the trustees/Board ensures that its trustees/directors maintain the skill and knowledge necessary to meet their obligations as trustees/directors.	Trustees and directors are encouraged to participate in seminars and other continuing education programs for directors. The auditors may periodically review at meetings of the Audit Committee the emerging standards for corporate governance, and the trustees/Board meet with independent counsel to the Fund to review the governance practices of the trustees/directors and the obligations of the trustees/Board.
5. Ethical Business Conduct (a) Disclose whether or not the trustees/Board has adopted a written code for the trustees/directors, officers and employees. If the trustees/Board has adopted a written code:	The Fund has adopted a written code of corporate ethics and behaviour (the "Code") for its trustees, directors, officers and senior employees.
(i) disclose how a person or company may obtain a copy of the code;	The Code is available at the Canadian Securities Administrator's System for Electronic Dissemination and Retrieval (SEDAR) at www.sedar.com .

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
(ii) describe how the trustees/Board monitors compliance with its code, or if the trustees/Board does not monitor compliance, explain whether and how the trustees/Board satisfies itself regarding compliance with its code; and	A copy of the Code is provided to each of the trustees, directors, officers and senior employees of the Fund, and each is requested to certify that he or she has read the Code and that, to the best of his or her knowledge, information or belief, no breach of the Code has occurred except those instances reported by him or her for remedial action. This certification is to be provided annually. A copy of the Code is provided to each new trustee, director, officer or senior employee.
(iii) provide a cross-reference to any material change report(s) filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a trustee/director or executive officer that constitutes a departure from the code.	No material change reports have been filed by the Fund since the beginning of its most recently completed financial year that pertains to the conduct of a trustee, director, officer or senior employee that constitutes a departure from the Code.
(b) Describe any steps the trustees/Board takes to ensure trustees/directors exercise independent judgement in considering transactions and agreements in respect of which a trustee/director or executive officer has a material interest.	A trustee/director is required to disclose to the trustees/Board information regarding any transaction or agreement in respect of which a trustee/director or executive officer has a material interest and to abstain from voting on any matter in respect of such transaction or agreement. The trustees/Board may request the trustee/director to excuse himself or herself from the portion of any meeting at which such transaction or agreement is discussed.
(c) Describe any other steps the trustees/Board takes to encourage and promote a culture of ethical business conduct.	The trustees/Board encourages and promotes a culture of ethical business conduct and requires the Chief Executive Officer to conduct himself in a manner that exemplifies ethical business conduct. Each trustee/director is entitled to engage an outside advisor at the Fund's expense in appropriate circumstances.
<p>6. Nomination of trustees/Directors</p> <p>(a) Describe the process by which the trustees/Board identifies new candidates for trustee/Board nomination.</p>	The Governance Committee of the Fund is mandated to identify new candidates for trustee/Board nomination. In making its recommendations, the Governance Committee considers the competencies and skills that the trustees and the Board should possess as a group. Should the need arise to consider new candidates for trustee/Board nomination, the Governance Committee may consider criteria that include, but are not limited to, age, geographical representation, disciplines, and other factors that the Governance Committee views appropriate.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>(b) Disclose whether or not the trustees/Board has a nominating committee composed entirely of independent trustees/directors. If the trustees/Board does not have a nominating committee composed entirely of independent trustees/directors, describe what steps the trustees/Board takes to encourage an objective nomination process.</p>	<p>The Governance Committee, which has the mandate of a nominating committee, is composed of all independent trustees.</p>
<p>(c) If the trustees/Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>Under its terms of reference, the Governance Committee has the responsibility and power to review and make recommendations to the Trustees and the Board respecting compensation policies of the trustees, directors and executives, administer and make recommendations respecting the operation of the long-term incentive plan and other incentive plans, and develop and monitor the overall approach for the Fund and its subsidiaries to corporate governance issues. In addition, the Governance Committee fills vacancies among the trustees and directors and periodically reviews the effectiveness of the trustees and directors as a whole and individually.</p>
<p>7. Compensation</p> <p>(a) Describe the process by which the trustees/Board determines the compensation for the issuer's trustees/directors and officers.</p>	<p>The trustees/Board determined the compensation for the trustees/directors with reference to market rates for such services. The terms of reference of the Governance Committee of the Fund includes the responsibility to review and recommend adjustments for compensation to trustees/directors as warranted in the future. Compensation for officers and other key employees is reviewed annually by the Compensation Committee of the Board with reference to contributions of each officer to business results achieved and to market based compensation for similar based positions.</p>
<p>(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p>	<p>The Compensation Committee is composed of all independent directors.</p>
<p>(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>Under its terms of reference, the Compensation Committee has the responsibility and power to review and make recommendations to the Board respecting the compensation of officers and other key employees and to oversee compliance with the Code.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state the fact and briefly describe the nature of the work.</p>	<p>A compensation consultant or advisor has not been retained by the Fund nor its subsidiaries at any time since the beginning of the Fund's most recently completed financial year.</p>
<p>8. Other Trustees/Board Committees</p> <p>If the trustees/Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The trustees/Board has no other committees.</p>
<p>9. Assessments</p> <p>Disclose whether or not the trustees/Board, its committees and individual trustees/directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the trustees/Board satisfies itself that the trustees/Board, its committees, and its individual trustees/directors are performing effectively.</p>	<p>The Governance Committee has the responsibility to ensure that a process is in place for the annual review of the performance of individual Trustees and Directors, the Board as a whole and the individual committees. In 2010, the trustee/Board arranged for self-assessment surveys to be prepared and distributed to each Trustee and Director soliciting views on the effectiveness of the Board, individual Trustees, Directors and committees. The Trustees and Directors were asked to rate items such as the Board's fulfillment of its governance roles and responsibilities, the Board and committee composition and processes in place that support Board and committee effectiveness, the knowledge and diversity of membership as well as the quality and timeliness of information received for discussion and the overall effectiveness in decision making. The survey also invited each Trustee and Director to make suggestions for improvements. The results were communicated to the full Board for discussion and recommendations as necessary.</p>



SCHEDULE "C"

TERMS OF REFERENCE FOR THE TRUSTEES OF WESTERNONE EQUITY INCOME FUND (the "Fund")

- A. TERMS OF REFERENCE FOR THE TRUSTEES
1. Purpose
- (a) These terms of reference are for the trustees of the Fund.
 - (b) The primary responsibility of the trustees is to distribute the Fund's available cash that the trustees consider prudent to its unitholders and to report to the unitholders in respect of the business operated by entities owned by the Fund.
2. Procedures and Organization
- (a) The trustees retain the responsibility for managing the Fund's own affairs including:
 - (i) selecting its Chair;
 - (ii) nominating candidates for election as trustees;
 - (iii) constituting committees of the trustees; and
 - (iv) determining trustee compensation.
 - (b) Subject to the Declaration of Trust, the trustees may constitute, seek the advice of, and delegate powers, duties and responsibilities to, committees of the trustees.
3. Duties and Responsibilities
- (a) Monitoring. The trustees have the responsibility:
 - (i) for approving distributions to unitholders;
 - (ii) for approving financing by the Fund;
 - (iii) for directing management to ensure systems are in place for the implementation and integrity of the internal control and management information systems of the Fund and its subsidiaries; and
 - (iv) for directing management to ensure appropriate disclosure controls and procedures are in place to enable information to be recorded, processed, summarized and reported within the time periods required by law.
 - (b) Policies and Procedures. The trustees have the responsibility:
 - (i) to approve and monitor compliance with all significant policies and procedures by which the business of the Fund is operated; and

- (ii) to direct management to implement systems which are designed to ensure that the Fund operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.
- (c) Compliance Reporting and Corporate Communications. The trustees have the responsibility:
 - (i) to ensure that the financial performance of the Fund is adequately reported to its unitholders and regulators on a timely and regular basis;
 - (ii) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
 - (iii) to ensure that the Fund has appropriate disclosure controls and procedures that enable information to be recorded, processed, summarized and reported within the time periods required by law;
 - (iv) to ensure the timely reporting of any developments that are required to be disclosed by applicable law;
 - (v) to report annually to the Fund's unitholders on the stewardship of the trustees of the Fund for the preceding year (the Annual Report); and
 - (vi) to assist the Fund to enable it to communicate effectively with its unitholders, stakeholders and the public generally.

B. TERMS OF REFERENCE FOR A TRUSTEE

1. Goals and Objectives

As a trustee of the Fund, each trustee shall:

- (a) fulfill the legal requirements and obligations of trustee which includes a comprehensive understanding of fiduciary roles; and
- (b) represent the interests of all unitholders in the governance of the Fund ensuring that the best interests of the Fund are paramount.

2. Duties and Responsibilities

- (a) Trustee Activity. As a trustee, each trustee shall:
 - (i) exercise good judgement and act with integrity;
 - (ii) use his or her abilities, experience and influence constructively;
 - (iii) respect confidentiality;
 - (iv) identify potential conflict areas - real or perceived - and ensure they are appropriately identified and reviewed; and
 - (v) assist in the distribution of available cash that the trustees consider prudent to unitholders while maintaining unitholders' values.
- (b) Preparation and Attendance. To enhance the effectiveness of trustee and committee meetings, each trustee shall:

- (i) prepare for trustee and committee meetings by reading reports and background materials prepared for each meeting;
 - (ii) maintain an excellent trustee and committee meeting attendance record;⁽¹⁾ and
 - (iii) have acquired adequate information necessary for decision making.
- (c) Communication. Communication is fundamental to trustee effectiveness and therefore each trustee shall:
- (i) participate fully and frankly in the deliberations and discussions of the trustees;
 - (ii) encourage free and open discussion of the affairs of the Fund by the trustees; and
 - (iii) ask probing questions, in an appropriate manner and at proper times.
- (d) Independence. Recognizing that the cohesiveness of the trustees is an important element in its effectiveness, each trustee shall:
- (i) be a positive force with a demonstrated interest in the success of the Fund; and
 - (ii) speak and act independently.
- (e) Committee Work. In order to assist Fund committees in being effective and productive, each trustee shall:
- (i) participate on committees and become knowledgeable with the purpose and goals of the committee; and
 - (ii) understand the process of committee work, and the role of management and staff supporting the committee.
- (f) Business, Corporation and Industry Knowledge. Recognizing that decisions can only be made by well informed trustees, each trustee shall:
- (i) become generally knowledgeable of the Fund’s products, services and industries in which it operates;
 - (ii) develop an understanding of the unique role of the Fund within its various communities;
 - (iii) maintain an understanding of the regulatory, legislative, business, social and political environments within which the Fund operates; and
 - (iv) be an effective ambassador and representative of the Fund.

C. ADMINISTRATIVE GUIDELINES FOR THE TRUSTEES

1. The trustees of the Fund hold the investments of the Fund and have statutory obligations to report to holders of Units of the Fund by proxy through the Chief Executive Officer (“CEO”) of WesternOne Equity LP who is charged with the day-to-day leadership and management of the operations.

⁽¹⁾ The target is 100% attendance. Anything less than 75% without extenuating circumstances would typically create considerable concern for the board of trustees.

2. The board of directors of the general partner and other operating entities in which the Fund has invested have the responsibility to manage those entities.
3. The trustees believe that some of their number should also serve as directors of each of the board of directors of the general partner and other operating entities in which the Fund has invested.
4. Terms of reference for the trustees and committees are annually reviewed by the Nominating and Governance Committee of the Fund, and any changes are recommended to the trustees for approval.
5. The trustees have concluded that the appropriate number of trustees is four at this time.
6. All trustees stand for election every year.
7. The trustees do not believe that trustees who retire from or otherwise change their current position responsibilities should necessarily retire as trustees. There should, however, be an opportunity for the trustees, through the Nominating and Governance Committee to review the appropriateness of continued trustee membership.
8. The trustees have determined that a majority of trustees should be independent.⁽²⁾
9. The trustees will meet at least quarterly to review and approve quarterly and annual financial statements and statutory disclosure documents of the Fund. In addition, the trustees will consider monthly resolutions in order to enable the Fund to make monthly distributions to its unitholders.
10. Materials will be delivered at least three days in advance of meetings for items to be acted upon. Presentations on specific subjects at trustee meetings will only briefly summarize the material sent to trustees so that discussion can be focused on issues relevant to the material.
11. The trustees are responsible, in fact as well as in procedure, for selecting candidates as trustees for membership. The trustees delegate the screening process to its Nominating and Governance Committee.
12. The Nominating and Governance Committee of the trustees will annually assess the effectiveness of the trustees and its committees.
13. The current committee of the trustees are the Audit Committee and the Nominating and Governance Committee. From time to time the trustees may create ad hoc committees to examine specific issues on behalf of the trustees. The trustees have adopted a charter for each of the Audit Committee and the Nominating and Governance Committee.
14. Committee members and Committee Chairs are appointed by the trustees and where possible, consideration is given to having trustees rotate their committee assignments.
15. Committees annually review their terms of reference and/or charters and changes are recommended to the trustees through the Nominating and Governance Committee.
16. The trustees ensure new trustees are appropriately introduced to the Fund and its industry and that trustees receive the necessary ongoing industry training and development.
17. The trustees meet during each meeting on an “in camera” basis without management present.

⁽²⁾ A director is independent if he or she has not direct or indirect material relationship with the Fund or any of its subsidiaries. A “material relationship” is a relationship which could, in the view of the trustees, be reasonable expected to interfere with the exercise of a trustee’s independent judgment.

18. The trustees and committees may engage separate independent counsel and/or advisors at the expense of the Fund. An individual trustee or director may engage separate independent counsel and/or advisors at the expense of the Fund in appropriate circumstances with the approval of the Chair.
19. Attached to these Administrative Guidelines is the Forward Agenda for the trustees.
20. These Guidelines are reviewed and approved annually by the trustees.

WESTERNOE EQUITY INCOME FUND

Trustees Forward Agenda

Meeting Timing <i>Agenda Item</i>	March	May	August	November
A. Governance				
Annual Meeting		X		
Trustee Performance Review	X			
Trustee Nominating Report	X			
Appoint Committees		X		
Set Record Date for AGM	X			
Review Committee Terms of Reference	X			
Review disclosure controls and procedures				X
B. Financial				
Quarterly Results	X	X	X	X
Year End Results	X			
Audit Committee Report	X	X	X	X
C. Other				
Director/Trustee Consents/Disclosure Letters	X			
Annual Statutory Disclosure Documents	X			



SCHEDULE “D”

TERMS OF REFERENCE FOR THE DIRECTORS OF WESTERNO ONE EQUITY GP INC.

A. TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

1. Purpose

- (a) The board of directors (the “**Board**”) of WesternOne Equity GP Inc. (“**WesternOne Equity GP**”) acknowledges that it is the general partner of WesternOne Equity LP the limited partner of which is, indirectly, WesternOne Equity Income Fund (the “**Fund**”), and directly, WesternOne Equity Operating Trust.
- (b) These terms of reference are for the Board.
- (c) The primary responsibility of the Board is to foster the long-term success of the business of WesternOne Equity LP consistent with the Board’s fiduciary responsibilities to the unitholders to maximize unitholder returns. In carrying out this primary responsibility, the Board acknowledges that WesternOne Equity LP is indirectly owned by the Fund whose objective is to distribute its available cash that the trustees of the Fund consider prudent to its unitholders, and in that context, the Board is to adopt strategies that will enable WesternOne Equity LP to facilitate distributions that the Board considers prudent to the partners of WesternOne Equity LP.
- (d) The Board has the responsibility to oversee the conduct of the business of the WesternOne Equity LP and to supervise management, which is responsible for the day-to-day conduct of business. The Board’s fundamental objective is to facilitate distributions that the Board considers prudent from WesternOne Equity LP to its partners while preserving long-term value. It is the overall responsibility of the Board that WesternOne Equity LP meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board also considers the legitimate interests that other stakeholders such as employees, suppliers, customers and communities may have in WesternOne Equity LP. In supervising the conduct of the business, the Board through the CEO shall set the standards of conduct for WesternOne Equity LP.

2. Organization and Procedures

- (a) The Board is to be composed of a majority of individuals who are “independent” within the meaning of *National Instrument 52-110 - Audit Committee*. A director is independent if he or she has not direct or indirect material relationship with the Fund or WesternOne Equity LP. A “material relationship” is a relationship, which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgement.
- (b) The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The current capital and maintenance authority levels are outlined in Administrative Guidelines for the Board.
- (c) The Board retains the responsibility for managing its own affairs including:
 - (i) selecting its Chair;

- (ii) if the Chair is not independent, develop a procedure to provide leadership for its independent directors;
 - (iii) nominating candidates for election to the Board, after considering the recommendations of the Nominating and Governance Committee of the Fund's board of trustees;
 - (iv) constituting committees of the Board;
 - (v) determining director compensation; and
 - (vi) holding regularly scheduled meetings at which members of management are not in attendance.
- (d) Subject to the by-laws of WesternOne Equity GP and the *Canada Business Corporations Act*, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

3. Duties and Responsibilities

(a) Selection of Management. With respect to the selection of management:

- (i) The Board has the responsibility: (i) to appoint and replace the CEO; (ii) to monitor the CEO's performance; (iii) to approve the CEO's compensation; (iv) to provide advice and counsel in the execution of the CEO's duties; and (v) to the extent feasible, to satisfy itself as to the integrity of the CEO and other executive officers in order to create a culture of integrity throughout the organization.
- (ii) Acting upon the advice of the CEO, and the recommendation of the Compensation Committee, the Board has the responsibility for approving the appointment and remuneration of all corporate officers.
- (iii) The Board has the responsibility for ensuring that plans have been made for management succession for executive management, including (appointing, training and monitoring senior management).

(b) Orientation and Continuing Education. With respect to orientation and continuing education:

- (i) The Board shall ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the Board expects from its directors); and
- (ii) The Board shall provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.

(c) Monitoring and Acting. The Board has the responsibility:

- (i) to monitor the progress of WesternOne Equity LP towards its goals, and to revise and alter its direction through management in light of changing circumstances;
- (ii) for approving distributions by WesternOne Equity LP to partners;
- (iii) for approving financing by WesternOne Equity LP;

- (iv) for the identification of the principal risks of the business of WesternOne Equity LP and taking all reasonable steps to ensure the implementation of appropriate systems to manage these risks;
 - (v) for directing management to ensure systems are in place for the implementation and integrity of the internal control and management information systems of WesternOne Equity LP; and
 - (vi) for directing management to ensure appropriate disclosure controls and procedures are in place to enable information to be recorded, processed, summarized and reported within the time periods required by law.
- (d) Strategy Determination. The Board has the responsibility:
- (i) to adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business of WesternOne Equity LP;
 - (ii) to review with management the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals; and
 - (iii) to review progress in respect to the achievement of the goals established in the strategic plans.
- (e) Policies and Procedures. The Board has the responsibility:
- (i) to approve and monitor compliance with all significant policies and procedures by which WesternOne Equity LP is operated; and
 - (ii) to direct management to implement systems which are designed to ensure that WesternOne Equity LP operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.
- (f) Compliance Reporting and Corporate Communications. The Board has the responsibility:
- (i) to ensure that the financial performance of WesternOne Equity LP is adequately reported to partners, other security holders in order that the Fund can meet its responsibilities to report its financial performance to its unitholders and regulators on a timely and regular basis;
 - (ii) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
 - (iii) to ensure that WesternOne Equity LP has appropriate disclosure controls and procedures that enable information to be recorded, processed, summarized and reported within the time periods required by law;
 - (iv) to ensure the timely reporting of any developments that are required to be disclosed by applicable law;
 - (v) to provide information to enable the Fund report annually to its unitholders on the stewardship of the trustees of the Fund for the preceding year (the Annual Report); and
 - (vi) to assist the trustees of the Fund to enable it to communicate effectively with its unitholders, stakeholders and the public generally.

- (g) General Legal Obligations of the Board of Directors. With respect to the general legal obligations of the Board:
- (i) The Board is responsible for directing management to ensure that legal requirements have been met, and that documents and records have been properly prepared, approved and maintained.
 - (ii) The *Canada Business Corporations Act* identifies the following as legal requirements for the Board and individual directors:
 - (A) to manage the affairs and business of WesternOne Equity GP including the relationships among WesternOne Equity GP, its subsidiaries, their unitholders, directors and officers;
 - (B) to act honestly and in good faith with a view to the best interests of WesternOne Equity LP;
 - (C) to exercise the care, diligence and skill of a reasonably prudent person; and
 - (D) in particular, it should be noted that the following matters must be considered by the Board as a whole:
 - (1) to submit to the unitholders any question or matter requiring the approval of the unitholders;
 - (2) to fill a vacancy among the directors or in the office of the auditor;
 - (3) to issue securities except in the manner and on the terms authorized by the directors;
 - (4) to declare distributions;
 - (5) to purchase, redeem or otherwise acquire shares issued by WesternOne Equity GP;
 - (6) to pay a commission to any person in consideration of that person purchasing or agreeing to purchase shares of WesternOne Equity GP or procuring or agreeing to procure purchasers for any such shares;
 - (7) to approve a management proxy circular;
 - (8) to approve a take-over bid circular or directors' circular;
 - (9) to approve any financial statements; and
 - (10) to adopt, amend or repeal by-laws of WesternOne Equity GP.

B. TERMS OF REFERENCE FOR A DIRECTOR

1. Goals and Objectives

As a member of the Board of WesternOne Equity GP, each of the directors shall:

- (a) fulfil the legal requirements and obligations of a director which includes a comprehensive understanding of the statutory and fiduciary roles;

- (b) represent the interests of all unitholders in the governance of WesternOne Equity GP ensuring that the best interests of WesternOne Equity GP are paramount; and
- (c) participate in the review and approval of WesternOne Equity GP policies and strategy and in monitoring their implementation.

2. Duties and Responsibilities

- (a) Board Activity. As a member of the Board, each director shall:
 - (i) exercise good judgement and act with integrity;
 - (ii) use his or her abilities, experience and influence constructively;
 - (iii) be an available resource to management and the Board;
 - (iv) respect confidentiality;
 - (v) advise the CEO and/or Chair when introducing significant and/or previously unknown information or material at a Board meeting;
 - (vi) understand the difference between governing and managing, and not encroach on management's area of responsibility;
 - (vii) identify potential conflict areas - real or perceived - and ensure they are appropriately identified and reviewed;
 - (viii) when appropriate, communicate with the Chair and CEO between meetings;
 - (ix) demonstrate a willingness and availability for one on one consultation with the Chair and CEO;
 - (x) evaluate the performance of the CEO and WesternOne Equity GP; and
 - (xi) assist in the distribution of available cash that the Board and the trustees of the Fund consider prudent to unitholders while maintaining unitholders' values.
- (b) Preparation and Attendance. To enhance the effectiveness of Board and committee meetings, each director shall:
 - (i) prepare for Board and committee meetings by reading reports and background materials prepared for each meeting;
 - (ii) maintain an excellent Board and committee meeting attendance record;⁽¹⁾ and
 - (iii) have acquired adequate information necessary for decision making.
- (c) Communication. Communication is fundamental to Board effectiveness and therefore each Board member shall:
 - (i) participate fully and frankly in the deliberations and discussions of the Board;

⁽¹⁾ The target is 100% attendance. Anything less than 75%, without extenuating circumstances, would typically create considerable concern for the Board.

- (ii) encourage free and open discussion of the affairs of WesternOne Equity GP by the Board and its members;
 - (iii) ask probing questions, in an appropriate manner and at proper times; and
 - (iv) focus inquiries on issues related to strategy, policy, implementation and results rather than issues relating to the day to day management of WesternOne Equity GP.
- (d) Independence. Recognizing that the cohesiveness of the Board is an important element in its effectiveness, each director shall:
- (i) be a positive force with a demonstrated interest in the long-term success of WesternOne Equity GP; and
 - (ii) speak and act independently.
- (e) Board Interaction. As a member of the Board, each director shall establish an effective, independent and respected presence and a collegial relationship with other Board members.
- (f) Committee Work. In order to assist Board committees in being effective and productive, each director shall:
- (i) participate on committees and become knowledgeable with the purpose and goals of the committee; and
 - (ii) understand the process of committee work, and the role of management and staff supporting the committee.
- (g) Business, Corporate and Industry Knowledge. Recognizing that decisions can only be made by well informed Board members, each director shall:
- (i) become generally knowledgeable of WesternOne Equity GP's products, services and industries in which it operates;
 - (ii) develop an understanding of the unique role of WesternOne Equity GP within its various communities;
 - (iii) maintain an understanding of the regulatory, legislative, business, social and political environments within which WesternOne Equity GP operates;
 - (iv) become acquainted with the officers of WesternOne Equity GP;
 - (v) remain knowledgeable about WesternOne Equity GP's facilities and visit them when appropriate; and
 - (vi) be an effective ambassador and representative of WesternOne Equity GP.

C. ADMINISTRATIVE GUIDELINES FOR THE BOARD OF DIRECTORS

1. WesternOne Equity GP is the general partner of WesternOne Equity LP.
2. The Board assumes the responsibility for the stewardship of WesternOne Equity LP. While, in law, the Board is called upon to manage the business, this is done by proxy through the Chief Executive Officer ("CEO") who is charged with the day-to-day leadership and management of WesternOne Equity LP.

3. The Board has the statutory authority and obligation to protect and enhance the assets of WesternOne Equity LP in the interest of all partners. Although directors are elected by the unitholders to bring special expertise or a point of view to the Board's deliberations, the best interests of WesternOne Equity LP must be paramount at all times.
4. The current capital and maintenance expenditure authority levels are outlined in Appendix A.
5. Terms of reference for the Board, the Chair, committees and the CEO are annually reviewed by the Nominating and Governance Committee of the Fund and any changes are recommended to the Board for approval.
6. Every year the Board review and approve a long range strategic plan and one-year operating and capital plans for WesternOne Equity LP.
7. The Board has concluded that the appropriate number of directors is five at this time.
8. All trustees and directors stand for election every year.
9. The Board does not believe that directors who retire from or otherwise change their current position responsibilities should necessarily retire from the Board. There should, however, be an opportunity for the Board, through the Nominating and Governance Committee of the Fund to review the appropriateness of continued Board membership.
10. The Board believes there should be a majority of independent directors and no more than two directors who are not independent on the Board.⁽²⁾
11. The Board currently supports the concept of the separation of the role of Chair from that of the CEO. The Board is able to function independently of management when necessary and the Chair's role is to effectively manage and provide leadership to the Board and to interface with the CEO.
12. The Board will evaluate the performance of the CEO at least annually. The evaluation will be based on criteria that include the performance of the business, the accomplishment of long-term strategic objectives and other non-quantitative objectives established at the beginning of each year.
13. The CEO has the special responsibility to manage and oversee the required interfaces between WesternOne Equity LP and the public and to act as the principal spokesperson for the Fund and its subsidiaries. This includes the responsibility for managing the equity and other financial market interfaces on behalf of WesternOne Equity LP.
14. The Chair of the Board, with the assistance of the CEO, will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda.
15. The Board will meet at least four times per year and schedule meetings one year in advance. In addition, the Board will consider monthly resolutions in order to enable WesternOne Equity LP to make monthly distributions to its partners.
16. Materials will be delivered at least three days in advance of meetings for items to be acted upon. Presentations on specific subjects at trustee and Board meetings will only briefly summarize the material sent to directors so that discussion can be focused on issues relevant to the material.

⁽²⁾ A director is independent if he or she has not direct or indirect material relationship with the Fund or any of its subsidiaries. A "material relationship" is a relationship which could, in the view of the Board of Directors, be reasonable expected to interfere with the exercise of a director's independent judgment.

17. The Board encourages the CEO to bring employees into Board meetings who can provide additional insight into the items being discussed because of personal involvement in these areas, and/or employees who represent future potential who the CEO wishes to bring to the attention of the Board.
18. The Board is responsible, in fact as well as in procedure, for selecting candidates as trustees or for Board membership. The Board delegates the screening process to the Nominating and Governance Committee of the Fund.
19. The Nominating and Governance Committee of the Fund will annually assess the effectiveness of the Board and committees.
20. Committees established by the Board analyze in depth policies and strategies, usually developed by management, which are consistent with their terms of reference. They examine proposals and where appropriate make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so.
21. The current committee of the Board is the Compensation Committee. From time to time the Board may create ad hoc committees to examine specific issues on behalf of the Board.
22. Committee members and committee Chairs are appointed by the trustees and the Board respectively, and where possible, consideration is given to having directors rotate their committee assignments.
23. Committees annually review their terms of reference and changes are recommended to the Board through the Nominating and Governance Committee of the Fund for approval.
24. Succession and management development plans will be reviewed by the Compensation Committee and reported annually by the CEO to the Board.
25. The Board ensures new directors are appropriately introduced to WesternOne Equity GP and its industries and that directors receive the necessary ongoing industry training and development.
26. The Board meets during each meeting on an “in camera” basis without management present.
27. The Board and committees may engage separate independent counsel and/or advisors at the expense of WesternOne Equity LP. An individual director may engage separate independent counsel and/or advisors at the expense of WesternOne Equity LP in appropriate circumstances with the approval of the Chair.
28. Attached to these Administrative Guidelines is the Forward Agenda for the Board.
29. These Guidelines are reviewed and approved annually by the Board.

WESTERNO ONE EQUITY GP INC.

Board Forward Agenda

Meeting Timing <i>Agenda Items:</i>	March	May	August	November
A. Governance				
CEO Performance Review	X			
Board Performance Review	X			
Director Nominating Report	X			
Appoint Officers		X		
Appoint Board Committees		X		
Review Committee Terms of Reference	X			
Review disclosure controls and procedures				X
B. Financial				
Quarterly Results	X	X	X	X
Year End Results	X			
C. Plans and Strategies				
Strategic Plan		X		
Operating Plan, Capital Budgets				X
Succession Plan				X
Compensation Plans				X
D. Operations				
CEO Report	X	X	X	X
Review of Key Corporate Policies		X		

APPENDIX A - ADMINISTRATIVE GUIDELINES FOR THE BOARD

Capital and Maintenance Expenditure Authority Levels

Chief Executive Officer Authority Level in Excess of Amount in Approved Budget
\$500,000