



**TRICON CAPITAL GROUP INC.**

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

*AS AT APRIL 18, 2011*



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**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the annual and special Meeting of Shareholders (the "**Meeting**") of Tricon Capital Group Inc. (the "**Company**") will be held at the Bay Adelaide Centre, 333 Bay Street, Suite 3400 in Toronto, Ontario on Wednesday, May 18, 2011 at 1:00 p.m. (EST).

Shareholders registered at the close of business on April 1, 2011 are entitled to receive notice of the Meeting or of any adjournment or postponement thereof, and to vote at the Meeting. It is important that shareholders of the Company read this notice, the accompanying information circular (the "**Information Circular**") and form of proxy (the "**Form of Proxy**") carefully. Shareholders who are unable to attend the Meeting in person are encouraged to complete and sign the Form of Proxy (printed on blue paper) and return it in the prepaid envelope provided or in person to Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1. The Information Circular explains how to complete the Form of Proxy and how the voting process works. To be valid, proxies must be received at the office of Equity Financial Trust Company at the aforementioned address by 1:00 p.m. (EST) on May 16, 2011.

Non-registered beneficial shareholders, whose shares are registered in the name of a broker, securities dealer, bank, trust company or similar entity ("**Intermediary**"), should carefully follow the voting instructions provided by their Intermediary.

The Meeting is being conducted for the following purposes:

1. To present the financial statements of the Company for the 12-month period ended December 31, 2010, and the auditors' report thereon;
2. To elect Directors;
3. To appoint the auditors of the Company and authorize the Board of Directors to determine their remuneration;
4. To consider and, if deemed advisable, to pass, with or without alteration or modification, an ordinary resolution, the full text of which is set forth in Schedule C to the Information Circular, to approve a Phantom Unit Plan, a copy of which is set forth in Schedule E to the Information Circular, all as more particularly described in the Information Circular;
5. To consider and, if deemed advisable, to pass, with or without alteration, an ordinary resolution, the full text of which is set forth in Schedule D to the Information Circular, confirming an amendment to the Company's By-law No. 3 as more particularly described in the Information Circular; and
6. To transact such further or other business as may properly come before the Meeting.

Further details of the business described above are contained in the accompanying Information Circular.

Dated at Toronto, Ontario, this 18th day of April, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

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David Berman  
Chairman of The Board of Directors  
Tricon Capital Group Inc.

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## MANAGEMENT INFORMATION CIRCULAR

Unless otherwise stated, the information in this management information circular (the “**Information Circular**”) is as of April 18, 2011.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Tricon Capital Group Inc. (“**Tricon** “ or the “**Company**”) to all shareholders of the Company for use at the annual and special meeting of shareholders of the Company (the “**Meeting**”) to be held at the Bay Adelaide Centre, 333 Bay Street, Suite 3400 in Toronto, Ontario on Wednesday, May 18, 2011 at 1:00 p.m. (EST) and at any postponement or adjournment thereof, for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”).

Unless specifically stated otherwise, all references to “**shareholders**” refer to the holders of Common Shares. All references to “**Fiscal 2010**” refer to the 12-month period ending December 31, 2010 and all references to “**Fiscal 2009**” refer to the 12-month period ending December 31, 2009.

## 1. VOTING INFORMATION

### 1.1 Voting Shares

Holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company. Each Common Share entitles the holder thereof to one vote.

The holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time in equal amounts per share on the Common Shares at the time outstanding, without preference or priority.

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (a "**Distribution**"), holders of Common Shares are entitled, after payment of debts and other liabilities, in each case subject to the preferences accorded to the holders of any other shares of the Company ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Company.

Pursuant to the articles of amendment of the Company dated May 13, 2010, the Company must have a minimum of three and a maximum of twenty Directors. The holders of the Common Shares are entitled to elect members of the Board of Directors.

As of April 18, 2011, there are 18,240,871 Common Shares issued and outstanding.

### 1.2 Record Date

Only shareholders of record at the close of business on April 1, 2011 (the "**Record Date**") will be entitled to receive notice of the Meeting, or of any adjournment or postponement thereof, and will be entitled to vote at the Meeting.

### 1.3 Solicitation of Proxies

This solicitation of shareholder proxies is made on behalf of the management of Tricon. This solicitation is being made primarily by mail, however Directors, officers, employees or agents of Tricon may also solicit proxies by telephone or other means of communication at nominal cost and without additional compensation. The cost of solicitation will be borne by the Company. The Company will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**National Instrument 54-101**"). These costs are expected to be nominal.

### 1.4 Voting in Person

If a shareholder attends the Meeting, and is a registered shareholder, they may cast their vote(s) for each of their registered Common Shares on any and all resolutions placed before the Meeting. **If a shareholder does not wish to vote for any matter proposed at the Meeting, the shareholder may withhold their vote from, or vote their shares against, any resolution at the Meeting, depending on the specific resolution.** If a shareholder attends the Meeting in person and is a non-registered beneficial shareholder, they will not be entitled to vote at the Meeting unless they contact their intermediary well in advance of the Meeting and carefully follow its instructions and procedures.

### 1.5 Appointment and Revocation of Proxies – Registered Shareholders

The following instructions are for registered shareholders only. If a shareholder is a non-registered beneficial shareholder, they should follow their intermediary's instructions on how to vote their shares.

Non-registered shareholders should also refer to the discussion under “Appointment and Revocation of Proxies – Non- Registered Shareholders” in this Information Circular.

If a registered shareholder is unable to attend the Meeting, or if they do not wish to personally cast their votes, they may still make their votes count by authorizing another person who will be attending the Meeting to vote on their behalf. They may either instruct that person how they want to vote, or let him or her choose for them. This is called voting by proxy. The persons named as proxyholders in the accompanying form of proxy (printed on blue paper) (a “**Form of Proxy**”) are Directors and/or officers of the Company. **A Shareholder has the right to appoint as a proxyholder a person who need not be a shareholder, other than the persons whose names are printed as proxyholders in the Form of Proxy, by crossing out the printed names and inserting the name of his, her or its chosen proxyholder in the blank space provided for that purpose in the Form of Proxy.**

If you are a shareholder and you do not plan to attend the Meeting, the Board of Directors of the Company requests that you kindly sign, date, and return the Form of Proxy as follows:

By Mail:	By Fax:	Online:
Equity Financial Trust Company 200 University Avenue, Suite 400 Toronto, Ontario M5H 4H1	Attention: Proxy Department Facsimile No.: 416-595-9593	<a href="http://www.voteproxyonline.com">www.voteproxyonline.com</a>

To be valid, the Form of Proxy must be filled out, correctly signed (exactly as your name appears on the Form of Proxy), and received by the Company’s transfer agent, Equity Financial Trust Company, no later than 1:00 p.m. (EST) on May 16, 2011 (or at least 48 hours prior to any reconvened meeting in the event of an adjournment of the Meeting).

A shareholder giving a proxy may revoke the proxy by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized, and deposited with Equity Financial Trust Company at the address above at any time prior to the Meeting.

If a shareholder revokes their proxy and does not replace it with another Form of Proxy that is deposited with Equity Financial Trust Company on or before the deadline of 1:00 p.m. (EST) on May 16, 2011, they may still vote their own Common Shares in person at the Meeting provided that they are a registered shareholder whose name appeared on the shareholders’ register of the Company as at the Record Date (April 1, 2011).

#### **1.6 Appointment and Revocation of Proxies – Non-Registered Shareholders**

A shareholder’s shares may not be registered in their name, but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). If a shareholder’s shares are registered in the name of an intermediary, the shareholder is considered a non-registered shareholder.

The Company has distributed copies of the Information Circular, the Notice of Meeting, the Form of Proxy and the annual report for Fiscal 2010 (collectively, the “**Meeting Materials**”) to intermediaries for distribution to non-registered shareholders. Intermediaries are required to deliver these Meeting Materials to all non-registered shareholders of Tricon who have not waived their rights to receive these Meeting Materials, and to seek instructions as to how to vote their Common Shares. Often, intermediaries will use

a service corporation (such as Broadridge) to forward the Meeting Materials to non-registered shareholders.

Non-registered shareholders may vote shares that are held by their nominees in two ways. Applicable securities laws and regulations, including National Instrument 54-101, require nominees of non-registered shareholders to seek their voting instructions in advance of the Meeting. Non-registered shareholders of the Company will receive (or will have received) from their nominees or from Equity Financial Trust Company either a request for voting instructions or a form of proxy for the number of Common Shares held by their nominee. The nominees' voting instructions or form of proxy will contain instructions relating to the signature and return of the document. These instructions should be carefully read and followed by non-registered shareholders to ensure that their Common Shares are voted accordingly at the Meeting. Non-registered shareholders who would like their Common Shares to be voted for them must therefore follow the voting instructions provided by their respective nominees.

Moreover, non-registered shareholders who wish to vote their Common Shares in person at the Meeting must insert their own name in the space provided on the request for voting instructions or form of proxy, as the case may be, in order to appoint themselves as proxyholder and follow the signature and return instructions provided by their respective nominees. Non-registered shareholders who appoint themselves as proxyholder should present themselves at the Meeting to a representative of Equity Financial Trust Company before the Meeting commences. Non-registered shareholders should not otherwise complete the form sent to them as their votes will be taken and counted at the Meeting.

#### 1.7 Voting of Shares Represented by Management Proxies

**The Form of Proxy accompanying this Information Circular, when signed by a shareholder, will constitute a direction to the proxyholder. The proxyholder may, on a show of hands or any ballot that may be called for, vote the Common Shares for, against or withhold, where applicable, any matters in respect of which they are appointed and in accordance with the direction of the shareholder appointing them, and if the shareholder specified a choice with respect to any matter acted upon, the Common Shares will be voted accordingly.**

If a shareholder has not specified how to vote on a particular matter, the proxyholder is entitled to vote the Common Shares as he or she sees fit. Please note that if the Form of Proxy does not specify how to vote on any particular matter, and if the shareholder has authorized the Chairman (or his alternate) or any member of management to act as their proxyholder (by leaving the line for the proxyholder's name blank on the Form of Proxy), the shareholder's Common Shares will be voted at the Meeting as follows:

- (i) FOR the election of the Nominees named in this Information Circular for the position of Director; and
- (ii) FOR the appointment of PricewaterhouseCoopers LLP as auditors of the Company and to authorize the Board of Directors of the Company to fix the auditor's remuneration; and
- (iii) FOR the adoption of the Phantom Unit Plan; and
- (iv) FOR the confirmation of the amendment to the Company's By-Law No. 3.

For additional information on these matters, please see the description provided under "Business of the Meeting".

### 1.8 Exercise of Discretion by Proxyholder

The persons named in the enclosed Form of Proxy will vote the Common Shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them. Unless otherwise indicated, the voting rights attaching to the Common Shares represented by a Form of Proxy will be voted "FOR" in respect of all matters described herein.

The enclosed Form of Proxy confers discretionary authority upon the proxyholder named therein with respect to all amendments to matters identified in the Notice of Meeting and to any other matter which may properly come before the Meeting, or any adjournment thereof. At the time of printing this Information Circular, management of the Company knows of no such amendments, variations or other matters to be brought before the Meeting. If any such matters should properly come before the Meeting, the proxyholder will vote on those matters in accordance with their best judgment.

### 1.9 Quorum

The quorum for the transaction of business at the Meeting is the holders of at least 25% of the issued Common Shares of the Company entitled to vote thereat or proxyholders present in person at the Meeting. The Company's list of shareholders as of the Record Date will be used to deliver to shareholders the Meeting Materials, as well as to determine who is eligible to vote.

### 1.10 How a Vote is Passed

All matters scheduled to be voted upon at the Meeting are ordinary resolutions. Unless otherwise required by law or pursuant to the articles and by-laws of the Company, every question coming before the Meeting will be decided by the majority of votes duly cast on the question.

### 1.11 Principal Holders of Voting Shares

To the knowledge of the Directors and officers of Tricon, based on public records and inquiry of the following persons, as of April 18, 2011, the only shareholders who beneficially own, directly or indirectly, or exercise control or direction over Common Shares carrying 10% or more of the voting rights attaching to any class of voting shares of Tricon are as follows:

Name	Shares Held	Class of Shares	Percentage of Class
Alhurst Holdings Inc. (1)	3,814,555	voting common shares	20.91%
Goodman & Company, Investment Counsel Ltd.	3,334,000	voting common shares	18.28%
ABC Group of Funds	2,550,000	voting common shares	13.98%
Mandukwe Inc. (2)	1,900,145	voting common shares	10.42%

#### Notes:

- (1) *All of the outstanding shares of Alhurst Holdings Inc. are owned by David Berman, Chief Executive Officer and Chairman of the Board of Directors of Tricon.*
- (2) *Majority of the outstanding shares of Mandukwe Inc. are owned by Geoff Matus, Co-Founder and Director of Tricon.*

### 1.12 Interest of Certain Persons or Companies in Matters to be Acted Upon

To the knowledge of the Directors, except as otherwise set out in this Information Circular, no Director, officer or insider of the Company, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## 2. BUSINESS OF THE MEETING

### 2.1 Presentation of Financial Statements and Auditors' Report

The financial statements for the Company, the auditors' report thereon, as well as management's discussion and analysis for the fiscal year ended December 31, 2010 are contained in the annual report for Fiscal 2010 and will be presented to shareholders at the Meeting, but no vote with respect thereto is required.

### 2.2 Election of Directors

As described under "Voting Information – Voting Shares", the holders of Common Shares are entitled to elect the members of the Company's Board of Directors. The Board of Directors is presently fixed at five Directors. The term of office of each Director expires as described under "Election to the Board of Directors", unless he or she resigns from office or his or her office becomes vacant by death, removal or other cause. Except where authority to vote on the election of the Nominee is withheld, the persons named in the accompanying Form of Proxy will vote "FOR" the election of the Nominees whose names are set forth under the heading "Nominees for Election".

It is not contemplated that either of the Nominees will be unable to serve as a Director, or for any reason will become unwilling, but if that should occur for any reason prior to the election, the persons named in the enclosed Form of Proxy reserve the right to vote in their discretion for other nominees, unless the shareholder has specified that his or her Common Shares are to be withheld from voting on the election of a Director.

A simple majority of the votes cast at the Meeting, whether by proxy or in person, will constitute approval of this matter.

### 2.3 Appointment and Remuneration of Auditors

The Audit Committee of the Company's Board of Directors (the "**Audit Committee**") has recommended to the Board of Directors that it propose to shareholders that PricewaterhouseCoopers LLP be re-appointed as the auditors of Tricon to hold office until the close of the next annual meeting of shareholders and that the Board of Directors be authorized to fix the auditors' remuneration. Except where authority to vote on the election of the auditors is withheld, the persons named in the accompanying Form of Proxy will vote "FOR" the appointment of PricewaterhouseCoopers LLP as auditors of Tricon, remuneration for its services to be determined by the Company's Board of Directors.

PricewaterhouseCoopers LLP was first appointed as auditors of the Company on January 26, 2010 immediately prior to the Company going public. However, it has been the auditors of the funds that the Company manages since 1997.

Additional information relating to the Audit Committee can be found under the heading "Information Concerning the Company – Audit Committee" in the Company's Annual Information Form.

A simple majority of the votes cast at the Meeting, whether by proxy or in person, will constitute approval of this matter.

## 2.4 Special Business to be Conducted – Phantom Unit Plan

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution (the “**Plan Resolution**”) authorizing and approving the adoption of a Phantom Unit Plan. To be passed, the Plan Resolution must be approved by a majority of the votes cast at the Meeting in person or by proxy. See “Special Business - Phantom Unit Plan”, Schedule C – Phantom Unit Plan Resolution and Schedule E – Phantom Unit Plan.

The Board of Directors has reviewed the terms of the Phantom Unit Plan (the “**Plan**”) and determined that the Plan is in the best interests of the Company and unanimously recommends that shareholders vote in favour of the Plan Resolution.

In the absence of contrary directions, the persons named in the accompanying Form of Proxy will vote “FOR” the Plan Resolution.

A simple majority of the votes cast at the Meeting, whether by proxy or in person, will constitute approval of this matter.

## 2.5 Special Business to be Conducted – Confirmation of By-Law Amendment

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution (the “**By-Law Resolution**”) confirming the amendment of Section 4 of By-Law No. 3 as described under “Special Business - Confirmation of By-Law Amendment”. See Schedule D – By-Law Resolution.

In the absence of contrary directions, the persons named in the accompanying Form of Proxy will vote “FOR” the By-Law Resolution.

A simple majority of the votes cast at the Meeting, whether by proxy or in person, will constitute approval of this matter.

## 3. ELECTION TO THE BOARD OF DIRECTORS

The Company’s Board is comprised of five Directors, three of whom are Independent (as such term is defined under National Instrument 58-101 - *Disclosure of Corporate Governance Practices*). The by-laws of the Company provide for staggered terms of office for the Directors in three classes: one class comprising two Directors who shall hold office for a term expiring at the close of the third annual general meeting of the shareholders following their election (“**Class 3**”); a second class comprising two Directors who shall hold office for a term expiring at the close of the second annual general meeting following their election (“**Class 2**”); and a third class comprising one Director who shall hold office for a term expiring at the close of the first annual general meeting following his or her election (“**Class 1**”).

At each future annual general meeting, each Director in a class whose member or whose members must retire from office at such meeting, on the expiration of the term for which he or she or they were elected, shall retire from office to be replaced with a successor or stand for re-election, in either case for a term expiring at the close of the third annual meeting of shareholders following such meeting.

David Berman and Duff Scott are Class 3 Directors, Geoff Matus and Anna Kennedy are Class 2 Directors, and Aida Tammer is a Class 1 Director. Anna Kennedy regrettably announced her intention to resign from the Board of Directors effective May 18, 2011, as she has accepted a senior executive position with another company which would create a conflict of interest with her directorship of the Company. Therefore, at the Meeting Aida Tammer and J. Michael Knowlton are nominees for election to the Board of Directors to be voted on by the holders of the Common Shares. Aida will be nominated as a Class 1 Director and Michael will be nominated as a Class 2 Director.

Effective April 18, 2011, the Board adopted, on a voluntary basis, majority voting principles for the election of Directors at annual meetings of shareholders. This includes the practice of ensuring that the proxy forms used for the election of Directors by shareholders enable shareholders to vote in favour of, or withhold their vote for, each Director nominee separately. In an uncontested election, any Director nominee who receives a greater number of votes “withheld” than votes “for” shall promptly submit to the Board his or her resignation, which shall take effect only upon the acceptance by the Board.

The Board, upon recommendation of the Compensation, Nominating and Corporate Governance Committee, shall within 90 days following the date of the applicable meeting determine either to accept or not accept the Director’s resignation, and the Board shall promptly disclose via press release its determination. The Director nominee will not participate in any committee or Board deliberations on the resignation offer. If a resignation is accepted, the Board may fill the vacancy in accordance with applicable laws. The policy is set out in Appendix A of Schedule B to this Information Circular.

### 3.1 Nominees for Election

**Aida Tammer (Ontario, Canada)** became a Director of the Company in May 2010. She was a member of the real estate capital markets group at CIBC World Markets Inc. from 1998 until 2009, serving as Executive Director, Real Estate Investment Banking, since 2003. Prior to that, she worked for the real estate development subsidiary of CIBC as Senior Development Officer and Investment Principal. Ms Tammer received her Bachelor of Architecture and Bachelor of Environmental Studies degrees from the University of Waterloo and worked as an architect early in her career. She completed a Masters of Business Administration degree at the University of Toronto in 1990 and subsequently completed specialization in the valuation of derivative securities in 1994. She received the Chartered Financial Analyst designation in 1997.

Aida owned 2,000 Common Shares of the Company and approximately 3,060.26 Deferred Share Units (“DSUs”) as of April 18, 2011.

**J. Michael Knowlton (Ontario, Canada)** is a new nominee for the Director position of the Company. Mr. Knowlton currently holds President and COO positions with Dundee REIT. In addition, he worked at Dundee Realty Corporation, and later Dundee REIT, from 1998 until 2006 as an Executive Vice President, CFO and Managing Director Limited Partnerships. Prior to that, he worked at OMERS Realty Corp. from 1990 until 1998 as an Active President, Senior Vice President, CFO and Vice President Finance. Mr. Knowlton received his Bachelor of Science (Engineering) and a Masters of Business Administration degrees at the Queen’s University in Kingston, Ontario. He also holds a Chartered Accountant designation.

Mr. Knowlton will be appointed to all committees if and when elected.

Michael had no equity ownership as of April 18, 2011.

### 3.2 Existing Directors

**Eric Duff Scott (Ontario, Canada)** is the Lead Director and the Chair of the Compensation, Nominating and Corporate Governance Committee. His term as a Director expires in 2013. Duff served as Chairman of The Toronto Stock Exchange from 1987 to 1989. Mr. Scott was also Deputy Chairman of Merrill Lynch Canada from 1983 to 1987 and Chairman of Prudential Bache Securities Canada from 1987 to 1990. Mr. Scott also served as a member of the Altamira Advisory Council from 1992 until 2002. Mr. Scott has served on the boards of over 20 public companies, including Aberdeen Asia-Pacific Income Investment Company Limited, AT&T Canada, Gentra Inc., Markborough Properties Ltd., Acantus Real Estate Corp., Bramalea Inc. and QLT Inc. As part of his role as a board member he served or acted as chairman of many audit committees, compensation committees and corporate governance committees. He currently serves on the board of directors of The Becker Milk Company Limited (TSX — BEK).

Duff owned 20,000 Common Shares of the Company and approximately 6,943.24 DSUs as of April 18, 2011.

**Anna Kennedy** regretfully announced her intention to resign from the Board of Directors effective May 18, 2011. She has accepted a senior executive position with another company which would create a conflict of interest with her existing Board position.

Anna had no equity ownership in the Company as of April 18, 2011.

**David Berman (Ontario, Canada)** is Chairman and Chief Executive Officer of the Company, and his term as a Director expires in 2013.

David Berman has been involved in all phases of Tricon's development since co-founding it in 1988, and is responsible for its overall operations including investment decisions and capital commitments. He has nearly 40 years of experience in the real estate industry in the United States, Canada and abroad.

Mr. Berman began his career in North America in 1978 at what is now Citibank Canada where he was Vice President for real estate lending. In 1982, he joined First City Development Corporation as Vice President, with responsibility for real estate acquisitions and equity lending. Prior to co-founding Tricon, Mr. Berman acted as Executive Vice President for Lakeview Estates Limited, where he was responsible for land development and single-family homebuilding.

Mr. Berman currently sits on the real estate advisory boards for the University of Toronto and the Fisher Center at the University of California, Berkeley. He holds a Masters of Business Administration with high distinction and a Bachelor of Science from the University of the Witwatersrand in Johannesburg, South Africa.

**Geoff Matus (Ontario, Canada)** is a Co-Founder and Director of the Company, and his term as a Director expires in 2012.

Geoff Matus co-founded Tricon in 1988 and continues to provide consulting services to Tricon. He is actively involved in strategic planning for Tricon; in particular, Mr. Matus focuses on the selection of markets in which the Company invests and the developers with which Tricon does business.

Mr. Matus, who has extensive business experience in Canada, the United States and abroad, is also a chairman and director of a number of other manufacturing and financial companies. Prior to 1988, he was in the corporate lending arm of Citibank Canada, and subsequently Executive Vice-President and director of Warren Paving and Materials Group. He is an honorary director and past chair of the board of directors of the Baycrest Centre for Geriatric Care. He is also a member of the Governing Council of the University of Toronto and a member of the boards of the Canadian Opera Company and the MaRS Discovery District. In 2005, Mr. Matus was a recipient of the Jewish Federation award for outstanding service to his community.

Mr. Matus graduated with a Bachelor of Commerce Degree from the University of the Witwatersrand in Johannesburg, South Africa, and received his Law Degree from Columbia University in New York.

### **3.3 Members of the Committees**

#### **Audit Committee**

Duff Scott  
Anna Kennedy  
Aida Tammer

**Compensation, Nominating and Corporate Governance Committee**

Duff Scott  
Anna Kennedy  
Aida Tammer

**3.4 Indebtedness of Directors and Executive Officers**

As of the date hereof, no Directors or executive officers (current or former) of the Company are indebted to Tricon.

**4. SPECIAL BUSINESS – PHANTOM UNIT PLAN**

At the Meeting the shareholders will be asked to consider and, if deemed advisable, pass the Plan Resolution approving the adoption of the Plan, which will authorize the Company to grant phantom units (“Units”) from time to time to officers and employees of the Company which are redeemable at certain times for cash or, if the Board so determines, Common Shares of the Company.

**Phantom Unit Plan**

The Company adopted the Plan on April 18, 2011, subject to shareholder approval. The Plan has been prepared in accordance with the policies of the Toronto Stock Exchange (the “TSX”). The Plan is intended to give the Company a share-based mechanism to attract, retain and motivate officers and employees of, and advisors to, the Company and its subsidiaries, and to provide such parties a performance incentive for continued and improved service. The Plan is also intended to enhance Participants’ (as such term is defined in the Plan) contributions to increased profits by promoting an alignment of interests between such persons and the shareholders of the Company.

The Plan is an “evergreen” plan whereby the number of Common Shares equivalent to the number of Units and securities of any other share compensation arrangement (including, without limitation, the Stock Option Plan) that have been exercised, terminated, cancelled, redeemed, repurchased or expired, at any time, are immediately re-reserved for issuance under the Plan and available for future issuances subject to the limits contained within the Plan.

The Plan may be administered by the Board or by a committee of the directors designated by the Board (the “Administrators”). In administering the Plan the Administrators may, subject to the terms of the Plan, (a) select Participants to whom awards (“Awards”, which consist of Units) are granted, (b) determine the terms relating to the Awards, including, without limitation, the number of Units comprising an Award and (c) determine any vesting period(s) prior to which time such Units may not be redeemed (each, a “Vesting Date”).

The material terms of the Plan are as follows:

- a) Upon vesting of his or her Units, and subject to the terms of the Plan, a Participant will be entitled to receive:
  - i) that number of Common Shares equal to the number of Units vesting on such Vesting Date, such Common Shares to be issued from treasury; or
  - ii) at the sole discretion of the Administrators, a cash payment in an amount equal to the number of Units vesting on such Vesting Date multiplied by the volume-weighted average trading price of the Company’s Common Shares trading on the TSX for the five trading days immediately preceding the Vesting Date.

- b) 10% of the Company's Common Shares being outstanding from time to time are reserved for the grant of Units pursuant to the Plan (together with any other share compensation arrangement of the Company (including, without limitation, the Stock Option Plan)).
- c) The term of any Unit may not extend beyond the date that is 30 days preceding the date that is the third anniversary of the end of the taxation year in respect of which such Unit was granted (the "**Expiry Date**").
- d) Notwithstanding the discretion of the Administrators to determine vesting periods, a Unit's Vesting Date may not be set before the date that is one year following the date in respect of which such Unit was granted (the "**Minimum Vesting Period**").
- e) The Plan provides for certain adjustments in the event a Participant's participation in the Plan is terminated, including:
  - i) Upon the occurrence of an Event of No Fault Termination (as such term is defined in the Plan), all of such Participant's unvested Units will automatically become vested Units.
  - ii) Upon the occurrence of an Event of No Fault Termination or an Event of Termination (as such term is defined in the Plan), any vested Units granted to a Participant may be redeemed only before the earlier of the following:
    - (1) the close of business on the respective Expiry Date of each Unit; and
    - (2) 90 days following the date of the Event of No Fault Termination (which date shall be calculated without reference to any notice or severance period to which the Participant may be entitled whether by contract or at law), or, one calendar year from the date of the Event of No Fault Termination if the Event of No Fault Termination is the death of the Participant.
  - iii) Upon the occurrence of an Event of Termination, all unvested Units granted to a Participant shall terminate immediately.
- f) The Units (including the rights attached thereto) are non-assignable and non-transferable unless it is by legacy or inheritance.
- g) The number of Common Shares under Units will be adjusted in the event of any consolidation, subdivision, conversion, exchange or reclassification of the Common Shares.
- h) In accordance with the TSX's policies, the Plan must receive the Company's shareholders' approval every three years at the Company's annual shareholders meeting for such year.
- i) The Board may amend the Plan without shareholder approval in certain instances, including, but not limited to: (i) minor changes of a "house-keeping nature"; (ii) amending Awards granted under the Plan, including with respect to advancing the Expiry Dates of Units, vesting periods (subject to Minimum Vesting Periods), redemption method and frequency, assignability and the effect of termination of a Participant's employment, provided that such amendment does not adversely alter or impair any Unit previously granted to a Participant without the consent of such Participant; (iii) advancing the date on which any Units may be redeemed; (iv) making amendments necessary to comply with the provisions of applicable law or the applicable rules of the TSX; (v) making amendments respecting the administration of the Plan; (vi) making amendments necessary to suspend or terminate the Plan; (vii) making a change relating to the eligibility of any Participant or eligible participant in the Plan; and (viii) making any other amendment, fundamental

or otherwise, not requiring shareholder approval under applicable laws or the applicable rules of the TSX.

- j) Shareholder approval will be required for any amendment to the Plan related to: (i) amending the provisions relating to the transferability of a Unit, other than for transfers by will or the law of succession or to corporations controlled by the individual or family trusts; (ii) extending the term of Units; (iii) amending any insider participation limits which result in shareholder approval to be required on a disinterested basis; (iv) increasing the maximum number of Common Shares which may be issued under the Plan; and (v) granting additional powers to the Board to amend the Plan or entitlements without shareholder approval.
- k) The Plan limits insider participation such that the aggregate number of Common Shares: (i) issued to insiders within a one-year period under the Plan and any other share compensation arrangement (including, without limitation, the Stock Option Plan), and (ii) issuable to insiders at any time under the Plan and any other compensation arrangement (including, without limitation, the Stock Option Plan), cannot exceed 10% of the issued and outstanding Common Shares.
- l) Independent directors are not Eligible Participants (as such term is defined in the Plan) and are therefore not eligible to participate in the Plan.
- m) The Plan does not provide for a maximum number of common shares which may be issued to an individual under the Plan or any other share compensation arrangement (including, without limitation, the Stock Option Plan), other than insiders and independent directors (as described above).

The full text of the Plan Resolution is set out in Schedule C, and the full text of the Plan is set out in Schedule E.

### **TSX Approval**

The Plan is subject to the approval of the TSX. The TSX has conditionally approved the Plan and the listing of the Common Shares reserved for issuance under the Plan, subject to the receipt of shareholder approval and fulfilling the requirements of the TSX.

## **5. SPECIAL BUSINESS – CONFIRMATION OF BY-LAW AMENDMENT**

The Company's By-Law No. 3 (a by-law amending By-law No. 1) was enacted on May 13, 2010. Effective April 18, 2011, the Board approved an amendment of Section 4 of By-Law No. 3 regarding election of Directors to conform it to the language provided in the Company's prospectus dated May 14, 2010 by removing the language "at the first meeting of shareholders following the IPO" to clarify that the election of Directors in classes shall commence at the Meeting. No other changes have been made to By-Law No. 3.

Shareholders will be asked at the Meeting to consider and, if deemed appropriate, to adopt an ordinary resolution ratifying and confirming the amendment of By-Law No. 3.

The full text of the resolution confirming the amendment of By-Law No. 3 is set out in Schedule D.

## **6. COMPENSATION AND ATTENDANCE OF THE BOARD OF DIRECTORS**

The Board of Directors' compensation is designed to attract and retain committed and qualified Directors and to align their compensation with the long-term interests of the Company. Messrs. Berman and Matus are corporate officers of the Company and do not receive any additional remuneration for their role as Directors of the Company. The Compensation, Nominating and Corporate Governance Committee is

responsible for the development and implementation of the Directors' compensation arrangements. The Compensation, Nominating and Corporate Governance Committee reviews and, if necessary, makes recommendations to the Board with respect to the compensation of Board members, the Chairman of the Board, and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming.

Each of the independent Directors are entitled to receive an annual retainer and are paid a fee for each Board or committee meeting attended. Details of the fees are provided in the table below:

Type of Fee	Amount (\$)
<b>Annual Fees</b>	
Board Retainer	25,000
Lead Director and Compensation, Nominating and Governance Committee chair	15,000
Audit Committee Chair	10,000
<b>Attendance Fees</b>	
Board or Committee Meeting	2,500

Duff Scott, the Lead Director, and Aida Tammer elected to participate in the Company's deferred share unit plan (the "DSU Plan"), as described below. Duff will continue to receive one-half of all his fees (including his annual retainer, Board and committee meeting fees) for services as a Director in the form of DSUs in lieu of a cash payment. Commencing January 1, 2011, Aida will receive all her fees for services as Director in the form of DSUs in lieu of cash until she has 4,000 DSUs. See "Deferred Share Unit Plan".

#### 6.1 Share Ownership Guideline for Independent Directors

The Company has no share ownership guidelines for the independent Directors.

#### 6.2 Deferred Share Unit Plan

On May 20, 2010, the Company established a DSU Plan to allow participants to participate in the long-term success of Tricon and promote a greater alignment of interests between the participants and shareholders of the Company, while reducing the cash requirements of Tricon, to the extent participants elect to receive their fees in the form of DSUs. Each independent Director, at their discretion, is eligible to participate in the DSU Plan.

Under the DSU Plan, each independent Director is entitled to elect to have any amount or percentage of their Director fees contributed to the DSU Plan. The number of DSUs are determined by dividing the amount of the elected fee by the market price of the Common Shares on the grant date, which is the 15th day following the end of any fiscal quarter. The market price is defined as the five day average of the closing price of the Common Shares on the TSX ending on the last trading date immediately preceding the date as of which the market price is determined. All notional units vest as of the grant date. Additional DSUs are issued equivalent to the value of any cash dividends that would have been paid on the Common Shares.

Notional units issued under the DSU Plan may only be redeemed by an independent Director when such Director no longer serves on the Board. Redemptions will be paid out in cash. The Directors elected the amount of their respective fees that will be contributed to the DSU Plan upon commencement of their terms as members of the Board. Directors may change their election from fiscal quarter to fiscal quarter.

The DSU Plan is administered by the Board, in its sole discretion. The Board has the authority to interpret and construe any provision of the DSU Plan and to adopt, amend and rescind such rules and regulations for administering the DSU Plan as it may deem necessary in order to comply with the requirements of the DSU Plan.

### 6.3 Directors Compensation

The following table shows the compensation (before withholding) earned by the independent Directors in their capacity as Directors in Fiscal 2010.

Directors	Fees Paid in Cash/Accrued \$	Fees in DSUs \$	Option-Based Awards \$	Non-Equity Incentive Plan Compensation \$	Pension Value \$	All Other Compensation \$	Total \$
Duff Scott	26,000	25,000	nil	n/a	n/a	nil	51,000
Anna Kennedy	49,000	nil	nil	n/a	n/a	nil	49,000
Aida Tammer	43,000	nil	nil	n/a	n/a	nil	43,000

No compensation was received by David Berman and Geoffrey Matus for duties performed as a Director of the Company.

### 6.4 Attendance

The following is the attendance record of the Directors for Fiscal 2010. The number of meetings held reflects the total number of days on which Board and committee meetings were held during the term. The number of meetings attended reflects the number of such days on which the individual participated in the Board and committee meetings either in person or by telephone.

Directors	Board of Directors Meetings (Attended/Held)	Audit Committee Meetings (Attended/Held)	Compensation, Nominating and Corporate Governance Committee Meetings (Attended/Held)
Duff Scott	5/5	3/3	1/1
Anna Kennedy	5/5	3/3	1/1
Aida Tammer	5/5	3/3	1/1
David Berman	5/5	n/a	n/a
Geoff Matus	5/5	n/a	n/a

## 7. EXECUTIVE COMPENSATION

### 7.1 Statement of Executive Compensation

This Statement of Executive Compensation provides a discussion of the Company's objectives when compensating its Chairman and Chief Executive Officer David Berman, its Co-Founder and Director Geoff Matus, President & Co-Chief Operating Officer Gary Berman, Co-Chief Operating Officer Glenn Watchorn, and its Chief Financial Officer June Alikhan, (collectively, the "Named Executive Officers" or "NEOs") with respect to Fiscal 2010, and the policies the Company has implemented to achieve those objectives. This Statement of Executive Compensation also outlines what each compensation program is

designed to reward, each element of compensation, why the Company has chosen to pay each element, how the Company determined the amount it would pay, and how each compensation element fits into the Company's overall compensation objectives.

The members of the Compensation, Nominating and Corporate Governance Committee are Duff Scott (Chair), Anna Kennedy and Aida Tammer. All members of the Compensation, Nominating and Corporate Governance Committee are independent Directors (as defined under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*) ("**National Instrument 58-101**"). They are responsible for reviewing and approving the amount and method of compensation of the NEOs. These responsibilities are summarized in Schedule A to this Information Circular. If elected at the Meeting, J. Michael Knowlton is expected to replace Anna Kennedy on the Compensation, Nominating and Corporate Governance Committee. The Board believes that Mr. Knowlton would also be considered independent under National Instrument 58-101 if elected as a Director.

The Compensation, Nominating and Corporate Governance Committee, among other things reviewed employee bonuses for 2010 and the Phantom Unit Plan.

Management of the Company retained Mercer (Canada) Limited ("**Mercer**") to perform a compensation study (the "**Compensation Study**") in the investment management market for executive and investment personnel compensation to determine whether Tricon's compensation programs were comparable in this market niche. Management presented the results of the Compensation Study to the Compensation, Nominating and Corporate Governance Committee. The Committee reviewed the Compensation Study and noted that total compensation was below the industry median. The Committee is considering making some changes in the future on items that are significantly below the industry median. No changes were required for compensation to the CEO, CFO and Mr. Matus.

## 7.2 Objectives of the Company's Compensation Programs

The Company's compensation programs are designed to attract, retain and motivate the best professionals in the marketplace. Tricon values its employees highly, and is committed to employing individuals who reflect Tricon's principles and who are knowledgeable, progressive, diligent, thoughtful, responsive and community-oriented. Tricon seeks to align the interests of its key personnel with those of the investors in the funds and discretionary managed accounts that it manages and, in turn, shareholders of the Company.

The Company's compensation programs for its NEOs are intended to meet the following principal objectives:

- to reward its NEOs primarily by reference to their contribution to the Company's overall success during the relevant fiscal year;
- to provide competitive levels of compensation in order to attract, motivate and retain talented executives and firm leaders;
- to incentivize and align the interests of its NEOs with the long-term interests of its shareholders through Common Share ownership and to encourage long-term service and loyalty; and
- to foster a sense of partnership, teamwork and fairness.

The following address how the Company's compensation programs are designed in order to meet the above-stated objectives:

To **reward contribution**: the Company emphasizes variable compensation as the core of its compensation strategy to provide a powerful incentive to its NEOs to focus on financial performance and also to help grow net earnings as a percentage of revenues. The amount of variable compensation paid is primarily based on the performance of the Company (see “– Short-Term Incentive Plan”, “– Long-Term Incentive Plan”, and “– Stock Option Plan”). A consequence of the Company’s compensation structure is that individual compensation for many executives of the Company is highly variable. In years when the Company performs well, aggregate compensation costs increase with the Company’s performance. Conversely, when performance declines, a substantial portion of the Company’s aggregate compensation costs decreases. As described elsewhere in this Information Circular, the Company has also adopted a Phantom Unit Plan, subject to shareholder approval. See “Special Business - Phantom Unit Plan”.

To **attract, motivate and retain talented professionals**: the Company is engaged in a highly competitive business, and its success depends on the leadership of senior executives and the talent of its key employees. In order to attract and retain highly capable individuals, the Company needs to ensure that its compensation programs provide competitive levels of compensation. Because the competition to attract and retain high-performing professionals in the industry is intense, the amount of total compensation paid to the Company’s executives must be considered in light of competitive compensation levels. When hiring new employees, particularly investment professionals, compensation packages are structured so as to attract and retain such personnel. Compensation is tailored to the particular circumstances and is referenced to the Compensation Study data. While the Company reviews information concerning compensation paid to executive officers of other wealth management businesses (as discussed below), none of these businesses manage a mix of funds similar to Tricon. Accordingly, the Company has designed its compensation structure (specifically its short-term and long-term incentive plans) without reference to specific compensation programs in place at other Canadian wealth management companies but is cognizant of overall compensation payable to similar individuals.

To **encourage long-term service and loyalty**: the Company encourages long-term service and loyalty by fostering a culture where employees own Common Shares of the Company. The Company is proud of the large percentage of the Company’s Common Shares owned by its employees. This ownership further encourages employees to act in the best long-term interests of the Company. Prior to its initial public offering, the Company gifted an aggregate of 840,221 Common Shares to executives and management in the second quarter of 2010 in consideration for past services. A total of 6,734,900 Common Shares were owned by Tricon employees as at December 31, 2010. In addition, the Company has implemented a Long-Term Incentive Plan (see “– Long-Term Incentive Plan” below).

The industry in which the Company operates is highly competitive and the Company believes its success depends, to a large degree, on its continued focus on rewarding personal productivity and **fostering a results-oriented team environment**. The Company’s NEOs have roles that blend both management and revenue generation responsibilities. In setting compensation for its NEOs, the Compensation, Nominating and Corporate Governance Committee considers not only the general guidance provided by the Compensation Study, but the opportunities the NEOs would have if they chose to focus entirely on their revenue generation abilities. Part of what makes the Company unique is its entrepreneurial culture that is driven by highly-talented and productive individuals. The Company is committed to maintaining relative **fairness** in the compensation of its NEOs, both in comparison with other revenue producers within the Company and in comparison with other high-performing revenue producers in the wealth management sector.

As discussed above, the Company does not benchmark compensation levels or mix against a specific group of peers. To provide context for compensation decisions, however, the Company reviews general industry information on the financial services industry in Canada (including private companies to the extent that such information is available). For purposes of assessing reasonableness of the compensation levels, the Company also reviews the public filings of large institutions, such as pension funds, but does not benchmark pay against these institutions. Consistent with industry practice, compensation levels are primarily determined by direct reference to the overall profitability of the Company rather than pay level

benchmarking, allocated to members of management based on an assessment of individual performance as described below under “– Short-Term Incentive Plan” and “– Long-Term Incentive Plan”.

### 7.3 Elements of Compensation

For Fiscal 2010, the NEOs’ compensation collectively included the following elements: base salary, short-term incentives (annual incentive plan) and equity-based long-term incentives (stock options, long-term incentive plan) as described in the table below. Benefits and perquisites generally comprise a relatively small part of a NEO’s total annual compensation.

#### *Summary of the Elements of the NEOs’ Compensation*

Type Element	Element	Form	Period	Program Objectives and Details
Fixed Compensation	Base Salary	Cash	Annual	<ul style="list-style-type: none"> <li>Reflects the executive’s level of responsibility, skills and experience, the market value of the position and the executive’s overall performance both individually and in relation to the executive’s business unit. Base salary normally represents a small percentage of total compensation.</li> <li>Typically reviewed annually.</li> <li>Purpose is to attract, motivate and retain.</li> </ul>
Variable Compensation	Short-Term Incentive Plan (STIP)	Cash	Annual	<ul style="list-style-type: none"> <li>Performance-based incentive which can vary significantly from year to year.</li> <li>Purpose is to attract, motivate and retain.</li> <li>Designed to reward individual merit and contribution, foster partnership, teamwork and fairness.</li> </ul>
	Long-Term Incentive Plan (LTIP)	Cash	As earned	<ul style="list-style-type: none"> <li>Designed to align executive’s and shareholder’s interest.</li> <li>Motivates and rewards executives for creating long-term shareholder value.</li> <li>Encourages long-term service and loyalty.</li> </ul>
	Long-Term Incentive Plan	Stock Options	3 year vesting from the grant date; 10 year term	<ul style="list-style-type: none"> <li>Designed to align executive’s and shareholder’s interest.</li> <li>Motivates and rewards executives for creating long-term shareholder value.</li> <li>Encourages long-term service and loyalty.</li> </ul>
	Long-Term Incentive Plan	Phantom Shares	maximum 3 year vesting from the grant date	<ul style="list-style-type: none"> <li>Designed to align executive’s and shareholder’s interest.</li> <li>Motivates and rewards executives for creating long-term shareholder value.</li> <li>Encourages long-term service and loyalty.</li> </ul>
Benefits	Group health, dental and insurance benefits		Employment term	<ul style="list-style-type: none"> <li>Executive benefit plans paid for by the Company provide medical and dental coverage, as well as short-term and long-term disability and life insurance.</li> </ul>
Perquisites	Cash allowance/ Dividends		Annual/ Quarterly	<ul style="list-style-type: none"> <li>Limited personal benefits are provided, including an annual medical examination and dividends on shares granted or gifted.</li> </ul>

#### 7.3.1 Base Salary and Benefits

The Company pays its NEOs a base salary as a means to provide a non-performance based element of compensation that is certain and predictable and is generally competitive with market practices. The base salaries of all NEOs are reviewed by the Compensation, Nominating and Corporate Governance Committee annually with the goal of ensuring that each NEO is paid fairly, taking into consideration the requirements of the position, the NEO’s performance, skills, knowledge, experience and equity with other executives within the Company and compared to executives in similar roles in comparable entities. The Company does not, however, have a policy in respect of the level at which base salary or total compensation must fall in relation to any other entity.

#### 7.3.2 Short-Term Incentive Plan

Following Tricon’s initial public offering, the Company has implemented, on the review and approval of the Compensation, Nominating and Corporate Governance Committee, a Short-Term Incentive Plan (“STIP”) that allocates an aggregate of 12.5% of the Company’s Base Operating Income, with respect to

Tricon X Limited Partnership (“**Tricon X**”) and all earlier Funds, to an employee bonus pool (the “**Employee Bonus Pool**”). The percentage of Base Operating Income allocated to the Employee Bonus Pool for future Funds (Funds subsequent to Tricon X) will be determined by the Compensation, Nominating and Corporate Governance Committee. “**Base Operating Income**” is the measure that the Company uses to determine the base bonus amount to be allocated to the Employee Bonus Pool and is equal to the difference between (i) the Company’s Base Revenue and (ii) Base Operating Expenses. “**Base Revenue**” is Contractual Management Fee revenue plus the Company’s investment income solely from warehoused investments and direct investments (which, for purposes of clarity, shall not include income from Fund investments), if any. “**Contractual Management Fees**” means Contractual Management Fees earned by the Company from the management of its Funds including syndicated investments. “**Base Operating Expenses**” are expenses relating to Salaries and Benefits (other than discretionary bonuses), Professional and Directors’ Fees, General and Administration Expenses, other normal and ordinary business operating expenses, Realized and Unrealized Foreign Exchange Gains (Losses) and Other Income of the Company. “**Funds**” means limited partnerships or other investment vehicles formed by the Company for the purpose of investing in development properties or other developments.

On December 22, 2010, the Board of Directors, on the recommendation of the Compensation, Nominating and Corporate Governance Committee, approved the calculation and allocation to the Employee Bonus Pool.

Each year, the Employee Bonus Pool is allocated among management and other employees pursuant to the terms of their employment agreements. Bonuses are awarded following discussion by the Board of Directors (upon the recommendation of the Compensation, Nominating and Corporate Governance Committee) and are based on individual performance.

In situations where the Employee Bonus Pool is greater than the STIP bonuses to be paid to the NEOs and employees in accordance with the terms of employment agreements, additional payment will be made to employees in accordance with their respective employment agreement. These amounts will be discussed with the Board of Directors and the Compensation, Nominating and Corporate Governance Committee.

The Chief Executive Officer’s annual bonus is determined based on the provisions of the employment agreement between David Berman and the Company and is payable only after all bonus amounts specified within the Company’s other employment agreements have been paid.

The Chief Executive Officer develops a preliminary recommendation for each other NEO and members of senior management based on their respective employment agreements and an assessment of the factors noted above. The Chief Executive Officer then discusses these recommendations with the Compensation, Nominating and Corporate Governance Committee and makes a final recommendation.

Management, together with the Compensation, Nominating and Corporate Governance Committee, will continue to review the Company’s bonus compensation arrangements on an annual basis.

### **7.3.3 Long-Term Incentive Plan**

Since the completion of its initial public offering, the Company has implemented, on the review and approval of the Compensation, Nominating and Corporate Governance Committee, a Long-Term Incentive Plan (“**LTIP**”) that allocates an amount equal to 50% of Performance Fees earned on account of (i) current Funds in respect of the period commencing May 20, 2010, and (ii) any subsequent Funds raised by the Company in 2010 and 2011 to the Performance Fee-Related Bonus Pool. The percentage of Performance Fees contributed by the Company to the Performance Fee-Related Bonus Pool in respect of Funds raised subsequent to 2011 shall be determined by the Board in its sole discretion in December of the year preceding the raising of any such Fund. “**Performance Fees**” means incentive or performance

fees earned by the Company from achieving target investment returns in its Funds. “**Performance Fee-Related Bonus Pool**” means an amount equal to 50% of Performance Fees.

Each NEO’s percentage entitlement to participate in the Performance Fee-Related Bonus Pool is governed by their respective employment agreement. Each NEO’s entitlement to Performance Fees relating to the Current Funds (as defined in the employment agreements) vested in full on May 20, 2010. Subject to the terms of the employment agreements, each NEO’s entitlement to Performance Fees earned in respect of any Funds raised by the Company subsequent to May 20, 2010 shall vest in equal proportions on each of the first three anniversaries of the date of the first closing of such Fund.

#### 7.3.4 Stock Option Plan

The Company adopted a stock option plan (the “**Stock Option Plan**”) on May 13, 2010. The Stock Option Plan qualifies as a rolling stock option plan and has been prepared in accordance with the TSX’s policies and is intended to give the Company a share-based mechanism to attract, motivate and keep “eligible participants” (as such term is defined in the Stock Option Plan) whose skill, performance and loyalty toward the Company or one of its subsidiaries, as the case may be, are vital to its success, image, reputation or activities. The Stock Option Plan applies to the Company’s Directors, officers, employees and service providers. The Stock Option Plan is administered by the Board with the recommendation of the Compensation, Nominating and Corporate Governance Committee. In administering the Stock Option Plan the Board or any designated committee may select participants to whom options are granted, determine the terms relating to options, including the number of Common Shares, the exercise price per Common Share, the expiration date of each option and any vesting period prior to which time such option may not be exercised. Previous grants are taken into account by the Board of Directors when it considers the granting of new stock options.

The material terms of the Stock Option Plan are as follows:

- (a) 10% of the Company’s Common Shares being outstanding from time to time are reserved for the grant of stock options pursuant to the Stock Option Plan.
- (b) The term of any stock options is fixed by the Board at the time such stock options are granted, provided that, subject to certain provisions of the Stock Option Plan, such stock options would not exceed a term of ten years.
- (c) The Board fixes the exercise price of the stock options when such options are granted, provided that such exercise price shall be no less than the volume-weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the day the stock options are granted (the “**Fair Market Value**”).
- (d) The expiration date of a stock option acquired before the death of its holder corresponds to the first of the following dates to occur:
  - (i) the expiration date appearing in the relevant grant notice; and
  - (ii) the first anniversary of the holder’s death.
- (e) Where a person ceases to be an eligible participant for any other reason than his or her death (such as, because of disability, resignation or dismissal), the expiration date of his or her stock option acquired no later than the date on which such person ceases to be an eligible participant corresponds to the first of the following dates to occur:
  - (i) the expiration date appearing in the relevant grant notice;

- (ii) the date falling 90 days following the date of termination of employment, subject to the Board's discretion.
- (f) The stock options (including the rights attached thereto) are non-assignable and non-transferable unless it is by legacy or inheritance.
- (g) The number of Common Shares under stock options will be adjusted in the event of any consolidation, subdivision, conversion, exchange or reclassification of the Common Shares.
- (h) In accordance with the TSX's policies, the Stock Option Plan must receive the Company's shareholders approval every three years at the Company's annual shareholders' meeting for such year.
- (i) The Board may amend the Stock Option Plan without shareholder approval in certain instances, including, but not limited to: (i) minor changes of a "house-keeping nature"; (ii) amending options granted under the Stock Option Plan, including with respect to the option period (provided that the period during which an option is exercisable does not exceed 10 years from the date the option is granted (subject to blackout periods)), vesting period, exercise method and frequency, exercise price and method of determining the exercise price, assignability and the effect of termination of a participant's employment or cessation of the participant's Directorship, as applicable; (iii) advancing the date on which any option may be exercised or extending the expiration date of any option, provided that the period during which an option is exercisable does not exceed 10 years from the date the option is granted (subject to blackout periods); (iv) adding or changing the terms and conditions of any financial assistance which may be provided by the Company to participants to facilitate the purchase of Common Shares under the Stock Option Plan; (v) making amendments necessary to comply with the provisions of applicable law or the applicable rules of the TSX; (vi) making amendments respecting the administration of the Stock Option Plan; (vii) making amendments necessary to suspend or terminate the Stock Option Plan; (viii) making a change relating to the eligibility of any participant or eligible participant in the Stock Option Plan; and (ix) making any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the applicable rules of the TSX.
- (j) Shareholder approval will be required for any amendment to the Stock Option Plan related to: (i) amending the provisions relating to the transferability of an option, other than for transfers by will or the law of succession or to corporations controlled by the individual or family trusts; (ii) reducing the exercise price of options or other entitlements; (iii) extending the term of options; (iv) amending any insider participation limits which result in shareholder approval to be required on a disinterested basis; (v) increasing the maximum number of Common Shares which may be issued under the Stock Option Plan; and (vi) granting additional powers to the Board to amend the Stock Option Plan or entitlements without shareholder approval.
- (k) The Stock Option Plan provides for a cashless exercise at the option of the optionholder, whereby optionholders are entitled to receive, in the form of Common Shares, the difference between the Fair Market Value on the date of exercise of the Common Shares subject to the option and the exercise price for such option, less any applicable withholding taxes.
- (l) The Stock Option Plan limits insider participation such that the aggregate number of Common Shares: (i) issued to insiders within a one-year period under the Stock Option Plan and any other share compensation arrangement, and (ii) issuable to insiders at any

time under the Stock Option Plan and any other compensation arrangement, cannot exceed 10% of the issued and outstanding Common Shares.

- (m) The Stock Option Plan limits independent Director participation such that the number of Common Shares reserved for issuance and issuable within a one-year period under the Stock Option Plan and any other share compensation arrangement for any one Independent Director cannot exceed 1% of the issued and outstanding Common Shares.
- (n) The Stock Option Plan does not provide for a maximum number of Common Shares which may be issued to an individual under the Stock Option Plan or any other share compensation arrangement, other than insiders and Independent Directors (as described above).

#### Equity Compensation Plan Information

The following table provides a summary, as at December 31, 2010, of the Company's compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders – all employees (1)	941,500	\$ 5.94	882,587
Equity compensation plans not approved by securityholders	N/A	N/A	N/A

#### Notes:

- (1) Additional information relating to the equity compensation plan approved by securityholders can be found under the heading "Executive Compensation – Elements of Compensation - Stock Option Plan".

#### 7.3.5 Compensation Decisions for Implementation in Fiscal 2011

The Compensation, Nominating and Corporate Governance Committee, together with management, as part of their annual responsibilities, reviewed the Company's compensation programs on December 22, 2010 and determined that, other than the adoption of a Phantom Unit Plan as described under "Special Business – Phantom Unit Plan", no changes to the current practices were required for Fiscal 2011.

#### 7.3.6 Summary Compensation Table

The following table provides a summary of compensation earned by each of the Company's NEOs in Fiscal 2010.

Name and Principal Position	Fiscal Year	Salary	Share-Based Awards	Option-Based Awards	Non-equity Incentive Plan Compensation		All Other Compensation	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans		
	\$	\$	\$ (1)	\$	\$	\$	\$	\$
David Berman (2) CEO and Chairman	2010	700,000	nil	nil	nil	243,696	1,305,461	2,249,157
	2009	700,000	nil	nil	nil	644,465	3,480,851	4,825,316
Geoffrey Matus (2) Co-Founder and Director	2010	250,000	nil	nil	nil	131,221	700,183	1,081,404
	2009	250,000	nil	nil	nil	347,020	1,874,304	2,471,324
Gary Berman President and Chief Operating Officer	2010	330,833	2,504,526	439,200	105,900	113,391	109,705	3,603,555
	2009	292,500			220,000	4,685	179,180	696,365
Glenn Watchorn Chief Operating Officer	2010	300,000	1,575,000	297,700	96,800	103,476	44,255	2,417,231
	2009	230,000			220,000	4,685	nil	454,685
June Alikhan Chief Financial Officer	2010	170,833	90,000	80,600	68,700	20,394	11,190	441,717
	2009	167,500			33,500	937	nil	201,937

**Notes:**

- 1) The Company issued 417,421 Common Shares to Gary Berman, 262,500 Common Shares to Glenn Watchorn and 15,000 Common Shares to June Alikhan at \$6.00 per share on May 13, 2010 in consideration for their past services to the Company.
- 2) No compensation was awarded for duties performed as a Director of the Company.

**7.3.7 Outstanding Share-based Awards and Option-based Awards Table**

Name	Option-based Awards (1)				Share-based Awards	
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised - In-the-money Options	Number of Shares or Units That Have Not Vested	Market or Payout Value of Share-based Awards That Have Not Vested
	#	\$		\$		
David Berman	nil	nil	nil	nil	nil	nil
Geoffrey Matus	nil	nil	nil	nil	nil	nil
Gary Berman	270,000	6.00	19-May-2020	nil	nil	nil
	30,000	5.26	3-Aug-2020	nil		
Glenn Watchorn	190,000	6.00	19-May-2020	nil	nil	nil
	12,500	5.26	3-Aug-2020	nil		
June Alikhan	50,000	6.00	19-May-2020	nil	nil	nil
	5,000	5.26	3-Aug-2020	nil		

**Notes:**

- 1) The Company issued stock options to the NEOs on May 19, 2010 and on August 3, 2010 at the fair value of each option of \$1.48 and \$1.32, respectively. The Company accounts for its Stock Option Plan by calculating the fair value of the options as of the grant date using a Black-Scholes option pricing model and observable market inputs. The fair value of the options granted has been estimated based on the following assumptions:

	<u>May 19, 2010</u>	<u>August 3, 2010</u>
Share price	\$ 6.00	\$ 5.50
Exercise price	\$ 6.00	\$ 5.26
Expected volatility	34%	34%
Expected dividend yield	4.00%	4.36%
Expected option life	6 years	6 years
Risk-free interest rate	3%	3%
Option Expiration Date	May 19, 2020	August 3, 2020

*None of the granted options had vested or were in-the-money at the end of Fiscal 2010*

### 7.3.8 Employment Contracts

Except as discussed below, each of the Company's NEOs are party to an employment agreement with Tricon, with indefinite terms. The agreements provide that the NEOs will devote substantially all of their working time and attention necessary for the due performance of their duties and will act in a manner consistent with the best interests of the Company, its affiliates and clients. Each employment agreement provides the NEOs with a compensation package comprised of base salary, incentive plans and benefits, which is subject to adjustment from time to time at the discretion of the Board of Directors on the recommendation of the Compensation, Nominating and Corporate Governance Committee.

The Company has entered into a consulting agreement with Mandukwe Inc. for the provision of Geoff Matus' services as consultant to the Company. The consulting agreement was effective as of May 20, 2010 with an indefinite term. Mandukwe Inc. receives compensation and the consulting arrangement is reviewed annually by the Board. Mandukwe Inc. is also eligible to receive additional payments from the Employee Bonus Pool. With respect to current Funds, Mandukwe Inc. is entitled to participate in 6.825% to 9.45% of the Performance Fees through the Employee Bonus Pool in accordance with certain vesting arrangements. For the purposes of this Statement of Executive Compensation, all references to NEOs include Geoff Matus (and/or Mandukwe Inc., as applicable), and all references to bonuses includes service payments or other compensation pursuant to Mandukwe Inc. consulting arrangements.

In addition to certain termination rights (see "– Termination and Change of Control Benefits"), the agreements also provide for non-competition and non-solicitation covenants on behalf of the employee or consultant, as applicable, in favour of the Company. The term of the non-competition covenants will be for a period of six months following termination of the respective employment or consulting arrangements, and the term of the non-solicitation covenants will be for a period of one year following termination of the respective employment or consulting arrangements (two years following termination in the case of David Berman, Gary Berman, Glenn Watchorn and Geoff Matus (Mandukwe Inc.)); provided, however, that in the event an employee is terminated by the Company for cause or the employee resigns without good reason, the Company, in its sole discretion, may elect to extend the term of the non-competition covenant for up to an additional six months (up to an additional 18 months in the case of David Berman, Gary Berman, Glenn Watchorn or Geoff Matus (Mandukwe Inc.)), provided it agrees to pay the severance as determined above during such extended period. Notwithstanding the foregoing, any non-competition covenants on behalf of employees or consultants will terminate upon a change of control of the Company unless reaffirmed by such employee or consultant and the Company in writing immediately following such change of control. The employment agreements also include confidentiality covenants requiring the NEOs to maintain confidentiality during the term of the agreements and indefinitely thereafter.

### 7.3.9 Termination and Change of Control Benefits

Each of the NEOs is party to an employment (or a consulting) agreement with the Company that provides for, among other things, the payment of severance in connection with certain termination events. In particular, each agreement states that if terminated by the Company without cause or by the employee or consultant for good reason, the employee or consultant, as applicable, will be entitled to (i) continue to

receive his or her base salary or consulting fees, as applicable, to the date of termination, (ii) severance or termination fees, as applicable, in the amount of his or her average base salary and cash incentive bonus over the previous three years, for a period of 12 months (or 24 months in the case of David Berman, Gary Berman, Glenn Watchorn and Geoff Matus (Mandukwe Inc.)), and (iii) all of his or her predetermined allocation of Performance Fees (unvested amounts to vest immediately upon such termination) up to and including the date of his or her termination, upon actual receipt of such fees by the Company. If employment or consultancy, as applicable, is terminated due to his or her resignation, death or disability, the employee or consultant, as applicable, will be entitled to unpaid base salary through to the date of termination plus all of his or her predetermined allocation of Performance Fees up to and including the date of his or her termination, to the extent such Performance Fees have vested and only upon actual receipt of such fees by the Company. If employment or consultancy, as applicable, is terminated for cause, the employee or consultant, as applicable, will be entitled to unpaid base salary through to the date of termination plus any vested benefits.

The following table provides details regarding the estimated incremental payments that the Company would have had to make to each NEO, assuming that such NEO's employment was terminated by the Company for any reason other than for cause or on the death of the NEO on December 31, 2010:

NEO	Incremental Payment \$ (1)
David Berman	1,413,000
Geoffrey Matus	500,000
Gary Berman	1,022,000
Glenn Watchorn	796,000
June Alikhan	211,000

**Notes:**

- 1) *The above amounts exclude LTIP since these are uncertain and are only payable on receipt of Performance Fees.*

In addition, the Stock Option Plan provides that the expiration date of a stock option acquired before the death of its holder corresponds to the first of the following dates to occur: i) the expiration date appearing in the relevant grant notice; and ii) the first anniversary of the holder's death. Where a person ceases to be an eligible participant for any other reason than his or her death (such as, because of disability, resignation or dismissal), the expiration date of his or her stock option acquired no later than the date on which such person ceases to be an eligible participant corresponds to the first of the following dates to occur: i) the expiration date appearing in the relevant grant notice; and ii) the date falling 90 days following the date of termination of employment, subject to the Board's discretion. Further, in the event that an offer is made to purchase outstanding Common Shares of the Company and it is accepted by a sufficient number of holders of such shares to constitute the offeror a shareholder of the Company being entitled to exercise more than 50% of the voting rights attached to the outstanding Common Shares (provided that prior to the offer, the offeror was not entitled to exercise more than 50% of the voting rights attached to the outstanding Common Shares) or if there is a consolidation, merger or amalgamation of the Company with or into any other corporation whereby the voting shareholders of the Company immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the Common Shares of the consolidated, merged or amalgamated corporation, including a sale whereby all or substantially all of the Company's undertakings and assets become the property of any other corporation, then a holder shall be entitled to exercise his or her option with respect to all of the Common Shares subject to the option and not yet purchased thereunder. In addition, if an offer is made to purchase 50% or more of the outstanding Common Shares of the Company, a holder shall be entitled to exercise his or her option with respect to all of the Common Shares subject to the option and not yet

purchased thereunder and tender such Common Shares into such offer, conditional upon the take-up of Common Shares under such offer.

## 8. OTHER INFORMATION

### 8.1 Insurance Coverage for Directors and Officers and Indemnification

The Company has obtained Directors' and officers' liability insurance coverage with a policy limit of \$30,000,000 for the Directors and officers of the Company. The policy includes securities claim coverage, insuring against any legal obligation to pay on account of any securities claims brought against the Directors or officers of the Company. The total limit of liability is shared among the Directors and officers of the Company so that the limit of liability is not exclusive to any one of the respective Directors or officers.

The by-laws of the Company provide for the indemnification of its Directors and officers from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office, subject to certain limitations. The Company will indemnify Directors and officers in accordance with its specific indemnification agreements and to the maximum extent permitted under applicable law.

### 8.2 Take-Over Bid Protections

The Company has a shareholder rights protection plan (the "**Rights Plan**") whereby Tricon issued one right (a "**Right**") for each Common Share which was outstanding on May 20, 2010 and has issued or will issue one Right for each Common Share issued during the currency of the Rights Plan. The terms of the Rights Plan are set out in the Rights Plan Agreement. The Rights Plan utilizes the mechanism of the "Permitted Bid" (as described below) to ensure that a person seeking control of Tricon gives shareholders and the Board sufficient time to evaluate the bid, negotiate with the initial bidder and encourage competing bids to emerge. The purpose of the Rights Plan is to protect shareholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions or else such bidders will be subject to the dilutive features of the Rights Plan. Unless earlier terminated in accordance with the Rights Plan, the Rights will expire on the date of the annual meeting of the shareholders of the Company in the year 2013 unless the continuation of the Rights Plan for an additional three years is ratified by a vote of shareholders at that annual meeting. Further continuations may be ratified by the shareholders at annual meetings of shareholders of the Company in successive three-year intervals.

A "**Permitted Bid**" means a bid which is made by an Offeror (as defined in the Rights Plan Agreement) by means of a take-over bid circular and which also complies with the following additional provisions:

- (a) the bid is made to all holders of Common Shares, other than the Offeror, for all of the issued and outstanding Common Shares (including any Common Shares that may be issued on the conversion or exchange of securities issued by Tricon);
- (b) the bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that (A) no Common Shares shall be taken up or paid for pursuant to the bid prior to the close of business on the date which is not less than 60 days following the date of the bid and (B) no Common Shares shall be taken up or paid for pursuant to the bid unless, at the date referred to in (A) above, more than 50% of the Common Shares held by independent shareholders shall have been deposited or tendered pursuant to the bid and not withdrawn;
- (c) the bid contains an irrevocable and unqualified provision that, unless the bid is withdrawn, Common Shares may be deposited pursuant to such bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and

that any Common Shares deposited pursuant to the bid may be withdrawn until taken up and paid for; and

- (d) the bid contains an irrevocable and unqualified provision that if, on the date on which Common Shares may be taken up or paid for, more than 50% of the Common Shares held by independent shareholders shall have been deposited or tendered pursuant to the bid and not withdrawn, the Offeror will make a public announcement of that fact and the bid will remain open for deposits and tenders of Common Shares for not less than 10 business days from the date of such public announcement;

provided that if a bid constitutes a Competing Permitted Bid, the term "Permitted Bid" shall also mean the Competing Permitted Bid.

A "**Competing Permitted Bid**" means a bid that:

- (a) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry of the Permitted Bid or other Competing Permitted Bid;
- (b) satisfies all components of the definition of a Permitted Bid other than the requirements set out in paragraph (b)(A) of such description above; and
- (c) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the bid prior to the close of business on a date that is no earlier than the later of (A) 60 days after the date on which the earliest Permitted Bid then in existence was made and (B) 35 days after the date of the bid constituting the Competing Permitted Bid.

Neither a Permitted Bid nor a Competing Permitted Bid is required to be approved by the Board and such bids may be made directly to shareholders.

### **8.3 Corporate Governance Disclosure**

The Board of Directors considers effective corporate governance practices an important factor in the Company's overall success. In accordance with National Instrument 58-101, the Company is required to disclose its corporate governance practices. Schedule A to this Information Circular sets out a description of the Company's corporate governance practices.

### **8.4 Additional Information about Tricon**

Financial information about the Company is provided in its financial statements for the 12-month period ended December 31, 2010 and related management's discussion and analysis. This information relating to the Company, as well as its annual information form, may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

You may also obtain a copy of the annual report for Fiscal 2010, containing the Company's financial statements and management's discussion and analysis for Fiscal 2010, as well as a copy of the Company's most recent financial statements and its annual information form, by writing to:

Tricon Capital Group Inc.  
1067 Yonge Street  
Toronto, Ontario M4W 2L2

Attention: Corporate Secretary

All of these above mentioned documents as well as additional information relating to the Company are all available by visiting the Company's website at [www.triconcapital.com](http://www.triconcapital.com) or on SEDAR's website at [www.sedar.com](http://www.sedar.com).

### **8.5 Other Business**

Management of the Company knows of no other matters which should be put before the Meeting. If, however, any other matters come before the Meeting and are in order, the persons designated in the accompanying Form of Proxy shall vote on such matters in accordance with their best judgment pursuant to the discretionary authority conferred on them by the proxy with respect to such matters.

### **8.6 Approval by the Board of Directors**

The Board of Directors has approved the contents and the sending of this Information Circular to the shareholders.

Dated: April 18, 2010

BY ORDER OF THE BOARD

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June Alikhan  
CORPORATE SECRETARY  
Tricon Capital Group Inc.

## SCHEDULE A - CORPORATE GOVERNANCE PRACTICES

The Company's Board and management believe that sound corporate governance practices contribute to the effective management of the Company and its achievement of strategic and operational plans, goals and objectives.

### 1. Board of Directors

- (a) Disclose the identity of Directors who are independent. The independent Directors are:  
Duff Scott  
Anna Kennedy  
Aida Tammer
- (b) Disclose the identity of Directors who are not independent, and describe the basis for that determination. The non-independent Directors are:  
David Berman  
Mr. Berman is a Co-Founder, CEO and Chairman of the Board of Directors  
Geoff Matus  
Mr. Matus is a Co-Founder and a consultant
- (c) Disclose whether or not a majority of Directors are independent. If a majority of Directors are not independent, describe what the board of Directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities. Three of the five members of the Board of Directors are independent. Two members (David Berman and Geoff Matus) are current officers/consultants of Tricon.
- (d) If a 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 Director and the other issuer. The Directors of the Company who are also directors of other reporting issuers are set out under "Election to the Board of Directors" in this Information Circular.
- (e) Disclose whether or not the independent Directors hold regularly scheduled meetings at which non-independent 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 Directors do not hold such meetings, describe what the board does to facilitate open and candid discussion. Periodically, the Board holds in camera sessions at the end of its meetings during which the non independent Directors and members of management are excused, in order to facilitate open and candid discussion among the Company's independent Directors.

among its independent Directors.

- (f) Disclose whether or not the chair of the board is an independent Director. If the board has a chair or lead Director who is an independent Director, disclose the identity of the independent chair or lead Director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead Director that is independent, describe what the board does to provide leadership for its independent Directors.
- The Chair of the Board of Directors is not an independent Director. The Lead Director is an independent Director and is also the Chairman of the Compensation, Nominating and Corporate Governance Committee providing guidance to the other Directors. The Lead Director also chairs all in camera sessions of the Board.
- (g) Disclose the attendance record of each Director for all board meetings held since the beginning of the issuer's most recently completed financial year.
- The attendance record of each Director at meetings of the Board and its committees held during Fiscal 2010 is set out in the table under section 6.4 of the Information Circular.

## 2. Board of Directors Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The mandate of the Board of Directors is included as Schedule B to this Information Circular.

## 3. Position Descriptions

- (a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.
- The Board of Directors has developed written position descriptions for the chair, the Lead Director and the chair of each committee of the Board of Directors.
- (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 of Directors has adopted a written position description for the Chief Executive Officer of the Company.

## 4. Orientation and Continuing Education

- (a) Briefly describe what measures the board takes to orient new Directors regarding
- The mandate of the Compensation, Nominating and Corporate Governance Committee provides that the committee is responsible for recommending orientation and, as appropriate, continuing education programs for Directors.

- (i) the role of the board, its committees and its Directors, and
  - (ii) the nature and operation of the issuer's business.
- (b) Briefly describe what measures, if any, the board takes to provide continuing education for its Directors. If the board does not provide continuing education, describe how the board ensures that its Directors maintain the skill and knowledge necessary to meet their obligations as Directors.
- The Company has a highly qualified group of independent Directors, with extensive governance experience. Presentations are provided to members of the Board of Directors providing an overview of the ongoing operations of the Company. To the extent that Directors require additional training, they are granted access to appropriate programs. The Board of Directors also seeks updates from its auditors and counsel with respect to new developments.

## 5. Ethical Business Conduct

- (a) Disclose whether or not the board has adopted a written code for the Directors, officers and employees. If the board has adopted a written code:
- (i) disclose how a person or company may obtain a copy of the code;
  - (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and
  - (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a Director or executive officer that constitutes a departure from the code.
- (b) Describe any steps the board takes to
- On June 10, 2010 the Board of Directors adopted a Code of Business Conduct and Ethics (the "Code") to encourage and promote a culture of ethical business conduct within the Company.
- The Code may be obtained on SEDAR's website located at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.triconcapital.com](http://www.triconcapital.com).
- The Code was given to all of the Company's employees on June 10, 2010 and such employees undertook in writing to abide by the Code. New employees sign the Code on their first day of employment with the Company. Furthermore, the Chief Executive Officer reports to the Audit Committee on all departures from the Code reported to him, and the steps taken by the Company in response. The Chair of the Audit Committee updates the Board of Directors as necessary.
- Since the Company's initial public offering, neither the Board of Directors nor the Compensation, Nominating and Corporate Governance Committee has become aware of any departure from the Code by a Director or executive officer of the Company. Accordingly, no material change report was necessary.
- The Compensation, Nominating and Corporate

ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.

Governance Committee reviews related party transactions. If a Director is in a situation of conflict of interest during any discussions occurring at a meeting of the Board or one of its committees, he or she must declare his or her interest and withdraw from the meeting so as not to participate in the discussions or in any decisions which may be made.

- (c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

In addition to monitoring compliance with the Code through its Compensation, Nominating and Corporate Governance Committee, the Board has adopted various internal policies to encourage and promote a culture of ethical business conduct.

## 6. Nomination of Directors

- (a) Describe the process by which the board identifies new candidates for board nomination.

The Compensation, Nominating and Corporate Governance Committee is responsible for identifying individuals qualified (in context of the needs of the Company and any formal criteria established by the Board) to become members of the Board for recommendation to the Board, including whether prospective nominees are able to devote sufficient time and resources to their duties as Board members.

- (b) Disclose whether or not the board has a nominating committee composed entirely of independent Directors. If the board does not have a nominating committee composed entirely of independent Directors, describe what steps the board takes to encourage an objective nomination process.

The Board has a Compensation, Nominating and Corporate Governance Committee composed entirely of independent Directors:

Duff Scott (Chair)  
Anna Kennedy  
Aida Tammer

- (c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

In addition to the responsibilities and powers described in 6(a) above, the Compensation, Nominating and Corporate Governance Committee is also responsible for assisting the Board in developing and monitoring the Company's corporate governance practices. The committee presents to the Board of Directors, on an ad hoc basis, its recommendations for improving the Company's corporate governance practices.

## 7. Compensation

- (a) Describe the process by which the board determines the compensation for the issuer's Directors and officers.

The Compensation, Nominating and Corporate Governance Committee is responsible for reviewing annually the Company's compensation guidelines for Directors, as well

as the compensation of members and chairpersons of the Board committees and the compensation of the Chairman of the Board.

Additionally, the Compensation, Nominating and Corporate Governance Committee is responsible for reviewing and approving the amount and method of compensation of the Company's executive officers under its jurisdiction. The committee reviews this compensation annually. The Chair of the committee reports the decisions and recommendations to the Board.

- (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.
- The mandate of the Compensation, Nominating and Corporate Governance Committee requires the committee to be composed of at least three Directors. The committee currently has three Directors, each of whom is independent:
- Duff Scott (Chair)  
Anna Kennedy  
Aida Tammer
- (c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.
- The Compensation, Nominating and Corporate Governance Committee is responsible, in particular, for the succession planning process for executive officers. The Committee, along with the CEO, also makes recommendations to the Board of Directors on the appointment of executive officers and the compensation of Directors. It reviews and approves the position description of the Chief Executive Officer, assesses his performance in relation to those objectives and establishes his compensation. The Committee, along with the CEO, also makes recommendations to the Board of Directors for the granting of stock options and other forms of compensation. The committee Chair reports verbally to the Board of Directors on the committee's activities following each committee meeting.
- (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
- Mercer, an independent consulting firm, was retained by the management of the Company to perform a Compensation Study within the private equity investment industry to determine whether Tricon's executive and investment team compensation structure was competitive.

has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

**8. Other Board Committees**

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

There are no standing committees of the Board of Directors other than the Audit Committee and the Compensation, Nominating and Corporate Governance Committee.

**9. Assessment**

Disclose whether or not the board, its committees and individual 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 board satisfies itself that the board, its committees, and its individual Directors are performing effectively.

The Compensation, Nominating and Corporate Governance Committee has established an annual self assessment process intended to measure the effectiveness of the Board of Directors, its committees and individual Directors in discharging their responsibilities.

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## **SCHEDULE B – MANDATE OF THE BOARD OF DIRECTORS**

The purpose of this Charter is to set out the mandate and responsibilities of the board of Directors (the “**Board**”) of Tricon Capital Group Inc. (the “**Company**”), subject to the provisions of applicable statutes.

### **1. Composition**

The Board shall be constituted with a majority of individuals who qualify as “independent” as defined in National Policy 58-201 - Corporate Governance Guidelines.

### **2. Responsibilities of the Board of Directors**

The Board is responsible for the stewardship of the Company and in that regard shall be specifically responsible for:

- (a) adopting a strategic planning process and approving, on at least an annual basis, a budget, and evaluating and discussing a strategic plan for the upcoming year which takes into account, among other things, the opportunities and risks of the Company’s business and investments;
- (b) supervising the activities and managing the investments and affairs of the Company;
- (c) approving major decisions regarding the Company;
- (d) defining the roles and responsibilities of management;
- (e) reviewing and approving the business and investment objectives to be met by management;
- (f) assessing the performance of and overseeing management;
- (g) reviewing the Company’s debt strategy;
- (h) identifying and managing risk exposure;
- (i) ensuring the integrity and adequacy of the Company’s internal controls and management information systems;
- (j) succession planning;
- (k) establishing committees of the Board, where required or prudent, and defining their respective mandates;
- (l) receiving and evaluating reports and recommendations from the committees of the Board from time to time;
- (m) maintaining records and providing reports to shareholders;
- (n) ensuring effective and adequate communication with shareholders, other stakeholders and the public; and
- (o) determining the amount and timing of dividends or distributions to shareholders.

It is recognized that every Director in exercising powers and discharging duties must act honestly and in good faith with a view to the best interest of the Company. Directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, Directors are expected to carry out their duties in accordance with policies adopted by the Board from time to time.

It is expected that management will co-operate in all ways to facilitate compliance by the Board with its legal duties by causing the Company and any subsidiaries of the Company to take such actions as may be necessary in that regard and by promptly reporting any data or information to the Board that may affect such compliance.

The Majority Voting in Director Elections Policy set out in Appendix A to this Charter shall apply with respect to an uncontested election of Directors.

### **3. Meetings**

The Board will meet not less than four (4) times per year: at least three (3) meetings to review quarterly results, and one (1) prior to the issuance of the annual financial results of the Company. The Board shall have an independent lead Director and shall meet periodically without management present to ensure that the Board functions independently of management. At each Board meeting, unless otherwise determined by the Board, an *in camera* meeting of independent Directors will take place. Individual Directors shall be permitted to engage outside advisors at the cost of the Company, subject to the prior approval of the Compensation, Nominating and Corporate Governance Committee.

The Board appreciates having certain members of senior management attend each Board meeting to provide information and opinion to assist the Directors in their deliberations. Management attendees will be excused for any agenda items which are reserved for discussion among Directors only.

### **4. Board Meeting Agendas and Information**

The Chair, in consultation with management, will develop the agenda for each Board meeting. Agendas will be distributed to the Directors before each meeting, and all Board members shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the Directors in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

### **5. Measures for Receiving Shareholder Feedback**

All publicly disseminated materials of the Company shall provide for a mechanism for feedback of shareholders.

### **6. Telephone Board Meetings**

A Director may participate in a meeting of the Board or in a committee meeting by means of telephone, electronic or such other communications facilities as permit all persons participating in the meeting to communicate with each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting.

While it is the intent of the Board to follow an agreed meeting schedule as closely as possible, it is felt that, from time to time, with respect to time sensitive matters, telephone Board meetings may be required to be called in order for Directors to be in a position to better fulfill their legal obligations. Alternatively, management may request the Board to approve certain matters by unanimous consent.

#### **7. Expectations of Management**

Management shall be required to report to the Board at the request of the Board on the performance of the Company, new and proposed initiatives, the Company's business and investments, management concerns and any other matter the Board or its Chair may deem appropriate. In addition, the Board expects management to promptly report to the Chair any significant developments, changes, transactions or proposals respecting the Company or any of its subsidiaries.

#### **8. Communications Policy**

The Board approves the content of the Company's major communications to shareholders and the investing public including the Annual Report, Management Information Circular, the Annual Information Form and any prospectuses which may be issued. The Audit Committee shall review and recommend to the Board the approval of the quarterly and annual financial statements (including the Management Discussion & Analysis) and press releases relating to financial matters. The Board also has responsibility for monitoring all of the Company's external communications. However, the Board believes that it is the function of management to speak for the Company in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public.

The Board shall have responsibility for reviewing the Company's policies and practices with respect to disclosure of financial and other information including insider reporting and trading. The Board shall approve and monitor the disclosure policies designed to assist the Company in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law. The Board shall review the Company's policies relating to communications and disclosure on an annual basis.

Generally, communications from shareholders and the investment community will be directed to the Chief Executive Officer, who will coordinate an appropriate response depending on the nature of the communication. It is expected, if communications from stakeholders are made to the Chair or to other individual Directors, management will be informed and consulted to determine any appropriate response.

#### **9. Internal Control and Management Information Systems**

The Board has responsibility for the integrity of the Company's internal control and management information systems. All material matters relating to the Company and its business, including, for greater certainty and without limitation, any investments made by the Company which are not direct investments in Company-managed funds or syndicates and/or are warehoused for future Company-managed funds, or in any event are in excess of \$10 million, require the prior approval of the Board. Management is authorized to act, without Board approval, on all ordinary course matters relating to the Company's business.

The Audit Committee has responsibility for ensuring internal controls are appropriately designed, implemented and monitored and for ensuring that management and financial reporting is complete and accurate, even though management may be charged with developing and implementing the necessary procedures.

Adopted May 20, 2010, as amended April 18, 2011.

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**APPENDIX A****Majority Voting in Director Elections Policy**

This policy is applicable if at an uncontested election of Directors of Tricon Capital Group Inc. (the “**Company**”) at a meeting of shareholders of the Company, any nominee for Director receives a greater number of votes “withheld” from his or her election than votes “for” such election (a “**Majority Withheld Vote**”).

In the event of a Majority Withheld Vote with respect to a Director nominee, such Director nominee shall promptly submit to the Board his or her resignation, which shall take effect only upon the acceptance by the Board.

The Board, upon recommendation of the Compensation, Nominating and Corporate Governance Committee (the “**Committee**”), shall within 90 days following the date of the applicable meeting determine either to accept or not accept the Director’s resignation, and the Board shall promptly disclose, via press release, the determination. In considering whether or not to recommend the Board accept the resignation, the Committee will consider all factors deemed relevant by members of such Committee including, without limitation, the stated reasons why shareholders “withheld” votes from the election of that nominee, the length of service and the qualifications of the Director, such Director’s contributions to the Company and the Company’s corporate governance policies. The Board, in considering the Committee’s recommendation, may consider such additional information and factors that the Board considers to be relevant. The Director nominee will not participate in any Committee or Board deliberations on the resignation offer. However, if each member of the Committee received a Majority Withheld Vote in the same election, or a sufficient number of Committee members received a Majority Withheld Vote such that the Committee no longer has a quorum, then the independent Directors shall appoint a committee amongst themselves to consider the Majority Withheld Votes and whether or not to recommend to the Board that resignations be requested.

If a resignation is accepted, the Board may fill the vacancy in accordance with applicable laws.

In the event that any Director who received a Majority Withheld Vote does not tender his or her resignation in accordance with this policy if requested to do so, he or she will not be re-nominated by the Board for election at the next meeting of shareholders at which Directors are to be elected.

The Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy.

**SCHEDULE C – PHANTOM UNIT PLAN RESOLUTION****BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:**

1. The Phantom Unit Plan (the “**Plan**”) of Tricon Capital Group Inc. (“**Tricon**”), providing for the issuance of units redeemable for cash or, subject to the terms thereof and the discretion of the board of directors (the “**Board**”), common shares of Tricon in amounts up a maximum of up to 10% of the issued and outstanding common shares in the capital of Tricon, a copy of which is set forth in Schedule E to the management information circular of Tricon dated April 18, 2011 (the “**Information Circular**”), is hereby approved, ratified and confirmed with such amendments as may be approved by the Board;
2. All unallocated Units (as such term is defined in the Plan) under the Plan be and are hereby approved, and Tricon shall have the ability to continue to grant Units under the Plan until May 18, 2014, which is the date that is three (3) years from the date of the shareholders meeting where approval for the Plan is being sought;
3. The Board or any committee designated pursuant to the Plan is hereby authorized to make such amendments to the Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board or committee, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Plan, the approval of the shareholders of Tricon; and
4. Any one director or officer of Tricon is hereby authorized, for and on behalf of Tricon, to execute and, if appropriate, deliver all other documents and instruments and do all other things as in the opinion of such director or officer may be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

**SCHEDULE D – BY-LAW RESOLUTION****CONFIRMATION OF AMENDED AND RESTATED BY-LAW NO. 3****RECITALS:**

- A. The Company's By-Law No. 3 ("**By-Law No. 3**") was enacted on May 14, 2010.
- B. On April 18, 2011, the board of directors of the Company (the "**Board**") approved an amendment of Section 4 of By-Law No. 3 ("**Amended By-Law No. 3**") regarding election of Directors to conform it to the language provided in the Company's prospectus dated May 14, 2010 by removing the language "at the first meeting of shareholders following the IPO" to clarify that the election of Directors in classes shall commence at the first shareholders meeting following the Company's initial public offering. No other changes were made to By-Law No. 3.
- C. The Board is required by the *Business Corporations Act* (Ontario) to submit the Amended By-Law No. 3 to shareholders for confirmation at the next meeting of shareholders following such amendment.

**BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:**

1. Amended By-Law No. 3 is hereby confirmed.
3. Any director or officer of the Company is authorized and directed, for and on behalf of the Company, to negotiate, finalize, execute and deliver any and all such further documents, agreements, authorizations, elections or other instruments, and to take or cause to be taken any and all such further actions as such director or officer, in such director's or officer's sole discretion, may determine to be necessary or desirable in order to complete and give effect to the foregoing resolutions and transactions contemplated by these resolutions, such determination to be conclusively evidenced by such director's or officer's execution and delivery of any such document, agreement, authorization, election or other instrument or the taking of any such action.

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**SCHEDULE E – PHANTOM UNIT PLAN**1. Interpretation

In this Plan, the following terms shall have the following meanings:

- (a) **“Administrators”** means the Board or such other persons as may be designated by the Board from time to time;
- (b) **“Affiliate”** has the meaning ascribed thereto in the *Securities Act* (Ontario);
- (c) **“Associate”** has the meaning ascribed thereto in the *Securities Act* (Ontario);
- (d) **“Award”** means a grant of Units under the Plan;
- (e) **“Board”** means the Board of Directors of the Corporation;
- (f) **“cause”** shall, in respect of a Participant, have the meaning attributed to such term (or the term “just cause”) in such Participant’s employment agreement with the Corporation (if any) or, in the event such Participant is not a party to a written employment agreement with the Corporation, shall mean anything that constitutes just cause for termination of employment at common law;
- (g) **“Common Shares”** means previously unissued common shares in the capital of the Corporation;
- (h) **“Corporate Group”** means the Corporation and its Affiliates;
- (i) **“Corporation”** means Tricon Capital Group Inc. and its successors;
- (j) **“Eligible Participant”** means any officer or employee of the Corporation or any of its Subsidiaries and any Service Provider as determined by the Administrators from time to time;
- (k) **“Event of No Fault Termination”** means the termination of employment of a Participant with the Corporation or a Subsidiary of the Corporation:
  - (i) without cause;
  - (ii) due to such Participant’s Incapacity to Work;
  - (iii) upon the Participant’s resignation for Good Reason; or
  - (iv) on the death of such Participant;
- (l) **“Event of Termination”** means:
  - (i) the termination of employment with cause of a Participant with the Corporation or a Subsidiary of the Corporation (excluding, for greater certainty, termination of employment arising from the death of such Participant);
  - (ii) the voluntary termination of employment of a Participant, retirement, resignation or leaving of employment with the Corporation or a Subsidiary of the Corporation

(except a resignation for Good Reason, on death, and except for the purpose of entering into employment with the Corporation or a Subsidiary of the Corporation); or

- (iii) a Participant who is not an employee of the Corporation ceasing to be an officer of, or advisor or Service Provider to, the Corporation or any Subsidiary of the Corporation;
- (m) **“Expiry Date”** means, with respect to Units comprising an Award, the date that is 30 days preceding the date that is the third anniversary of the end of the taxation year in respect of which the Award was granted;
- (n) **“Fair Market Value”** at any date means the volume-weighted average trading price of the Corporation’s common shares on the TSX for the five trading days immediately preceding such date. In the event that such common shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the common shares as determined by the Board in its sole discretion;
- (o) **“Good Reason”** shall, in respect of a Participant, have the meaning attributed to such term in such Participant’s written employment agreement with the Corporation (if any) or, in the event such Participant is not a party to a written employment agreement with the Corporation, shall mean any reason that would be considered to amount to constructive dismissal at common law;
- (p) **“Incapacity to Work”** shall, in respect of a Participant, have the meaning attributed to such term in such Participant’s written employment agreement with the Corporation (if any) or in the event such Participant is not a party to a written employment agreement with the Corporation, shall mean any incapacity or inability by a Participant, including any physical or mental incapacity, disease or affliction of the Participant as determined by a legally qualified medical practitioner or by a court, which has prevented or which will likely prevent the Participant from performing the essential duties of his or her position as an officer or employee (taking into account reasonable accommodation by the Corporation) for a continuous period of six (6) months or for any cumulative period of 180 days in any eighteen (18) consecutive month period;
- (q) **“insider”** means an insider for the purposes of Section 613 of the TSX Company Manual;
- (r) **“Insider Participant”** means a Participant who is an insider of the Corporation;
- (s) **“Minimum Vesting Period”** means, with respect to Units comprising an Award, the date that is one year following the date upon which the Award was granted;
- (t) **“Participants”** means such Eligible Participants from time to time who are granted Awards pursuant to the Plan;
- (u) **“Person”** includes an individual, partnership, unincorporated association, organization, syndicate, body corporate, joint venture, trust and a trustee, executor, administrator or other legal or personal representative, the Crown and any other entity recognized by law;
- (v) **“Plan”** means this Phantom Unit Plan, as it may be amended from time to time;

- (w) “**Service Provider**” means any person or company engaged to provide ongoing management or consulting services for the Corporation or its Affiliates or for any entity controlled by the Corporation for a period greater than 12 months;
- (x) “**Shares**” means the Common Shares, or such other class of voting and fully participating shares as may be agreed to by the Board or the Administrators;
- (y) “**Stock Option Plan**” means the Corporation’s stock option plan, adopted May 14, 2010, as may be amended or amended and restated from time to time;
- (z) “**Subsidiary**” has the meaning ascribed thereto in the *Securities Act* (Ontario);
- (aa) “**TSX**” means the Toronto Stock Exchange;
- (bb) “**Unit**” means a “Phantom Unit”, or the unit for measuring the obligation of the Corporation to pay a Participant the amounts described in Section 7;
- (cc) “**Unit Shares**” means the Shares issuable pursuant to a redemption of Units;
- (dd) “**Unvested Units**” means Units that have not yet become redeemable;
- (ee) “**Vested Units**” means Units that have become redeemable;
- (ff) “**Vesting Date**” means, in respect of an Award and subject to Sections 10, 11 and 15, such date or dates as the Administrators may determine when the Award is granted, provided that no such date shall fall (a) before the Minimum Vesting Period of such Award; or (b) on or after the Expiry Date of such Award; and
- (gg) “**Voting Shares**” means the common shares and such other class or classes of shares of the Corporation that have the right to vote at a meeting of shareholders of the Corporation.

## 2. Purpose

The purpose of the Plan is to advance the interests of the Corporation and its shareholders by attracting, retaining and motivating officers and employees of, and advisors to, the Corporation and its Subsidiaries, and providing such parties a performance incentive for continued and improved service with the Corporation and its Subsidiaries and by enhancing such persons’ contribution to increased profits by promoting an alignment of interests between such persons and the shareholders of the Corporation.

## 3. Shares Subject to the Plan

- (a) The shares subject to the Plan shall be Shares.
- (b) Units may be granted in respect of authorized and unissued Shares, provided that:
  - (i) the aggregate number of Shares reserved for issuance upon the redemption of all Units granted under the Plan, or any other share compensation arrangement of the Corporate Group (including, without limitation, the Stock Option Plan), shall not exceed 10% of the issued and outstanding common shares of the Corporation;

- (ii) the aggregate number of Shares issuable to Insider Participants upon the redemption of Units granted under the Plan, or any other share compensation arrangement of the Corporate Group (including, without limitation, the Stock Option Plan), cannot at any time exceed 10% of the issued and outstanding common shares of the Corporation; and
  - (iii) the aggregate number of Shares issued to Insider Participants under the Plan, or any other share compensation arrangement of the Corporate Group (including, without limitation, the Stock Option Plan), within a one-year period, cannot exceed 10% of the issued and outstanding common shares of the Corporation.
- (c) Unit Shares that cannot be redeemed as a result of having terminated or expired, or having been redeemed for cash in accordance with the Plan, shall not be counted for purposes of Section 3(b) and shall be available for subsequent Awards. No fractional Shares may be issued under the Plan.
- (d) This Plan is an “evergreen” plan whereby the number of Shares equivalent to the number of Units and securities of any other share compensation arrangement that have been exercised, terminated, cancelled, redeemed, repurchased or expired, at any time, are immediately re-reserved for issuance under the Plan and available for future issuances subject to the limits contained herein.

#### 4. Administration of the Plan

The Plan shall be administered by the Administrators. Subject to the provisions hereof and the Administrators’ duty to act without unfair prejudice or oppressiveness to a Participant or holder of Units under the Plan, the Administrators shall have the power and authority to:

- (a) adopt policies, rules and regulations and prescribe forms and procedures for implementing the Plan;
- (b) determine the eligibility of Persons to participate in the Plan, when Awards to Eligible Participants shall be granted, the number of Units subject to each Award and the vesting period for each Unit;
- (c) interpret and construe the provisions of the Plan;
- (d) subject to regulatory requirements, make exceptions to the Plan in circumstances which they determine to be exceptional; and
- (e) take such other steps as they determine to be necessary or desirable to give effect to the Plan.

#### 5. Award Agreement

All Awards granted hereunder shall be evidenced by an agreement between the Corporation and the Participant substantially in the form of the attached Schedule 1. The terms of each such agreement need not be identical.

#### 6. Grant of Awards

Subject to the terms of the Plan, the Administrators may, from time to time, grant Awards to Participants in such amounts and on such terms that the Administrators, in their absolute discretion, determine.

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7. Redemption Price

Upon vesting of his or her Units, and subject to the terms of the Plan (including, without limitation, Sections 10, 11 and 15), a Participant will be entitled to receive:

- (a) that number of Unit Shares equal to the number of Units vesting on such Vesting Date, such Unit Shares to be issued from treasury of the Corporation and such issuance to be made on, or as soon as practicable after, the Vesting Date, but in no event later than the earlier of the Expiry Date and 30 days after the Vesting Date; or
- (b) at the sole discretion of the Administrators, a cash payment in an amount equal to (i) the number of Units vesting on such Vesting Date multiplied by (ii) the Fair Market Value of a Share on the Vesting Date, such payment to be made in a single lump sum on, or as soon as practicable after, the Vesting Date, but in no event later than the earlier of the Expiry Date and 30 days after the Vesting Date.

The issuance of Unit Shares and/or the payment of cash to a Participant upon any redemption of Units shall be subject to deductions for withholdings, if applicable, pursuant to Section 13(b).

8. Term of Units

The term of each Unit shall be determined by the Administrators at the time the Award is granted, provided that no Unit shall be redeemable after the Expiry Date. Outstanding Units shall be cancelled immediately upon their termination, expiry or redemption.

9. Vesting

Subject to Sections 10, 11 and 15, a Participant will acquire a vested, unconditional right to receive his or her Award (or a portion thereof) on the Vesting Date(s) as determined by the Administrators when the Award is granted.

10. Change of Control

If an offer is made to purchase outstanding Voting Shares of the Corporation and it is accepted by a sufficient number of holders of such shares to constitute the offeror a shareholder of the Corporation being entitled to exercise more than 50% of the voting rights attached to the outstanding Voting Shares (provided that prior to the offer, the offeror was not entitled to exercise more than 50% of the voting rights attached to the outstanding Voting Shares) or if there is a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the Voting Shares of the consolidated, merged or amalgamated corporation, including a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other corporation, then a Participant shall be entitled to have his or her Units redeemed, notwithstanding any determination by the Administrators pursuant to Section 9 hereof with respect to the Award.

In addition, if an offer is made to purchase 50% or more of the outstanding Voting Shares of the Corporation, a Participant shall be entitled to have his or her Units redeemed and, should the Corporation elect to redeem the Units for Shares, such Participant shall be entitled to tender such Shares into such offer.

11. Acceleration on Transaction with Third Party

Notwithstanding anything else contained herein, the Administrators may, in connection with any transaction involving the Corporation or its shareholders (including, without limitation, an offering of securities), determine to accelerate the vesting of all Unvested Units and to determine that the Units shall terminate no less than ten (10) business days following such date of vesting.

12. Award Confirmation

Upon the grant of each Award, an award confirmation, substantially in the form of Schedule 2, shall be delivered by the Administrators to the Participant in question.

13. Redemption of Units

- (a) If the Administrators elect to redeem some or all of the Units for Unit Shares, the appropriate number of Unit Shares shall be issued and registered in the name of the Participant redeeming the Units and, in issuing such Unit Shares, the Corporation shall be deemed to represent to the Participant redeeming the Units as of the date such Shares are issued that the Corporation is validly existing under the *Business Corporations Act* (Ontario), has not been dissolved and no proceedings have been taken or authorized by the Corporation or by any other person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding-up of the Corporation.
- (b) A Participant shall be solely responsible for all federal, provincial, state and local taxes resulting from his or her receipt of an Award, Units, Unit Shares or other property or cash pursuant to the Plan, except to the extent that the Corporation has, directly or indirectly, withheld (i) cash for remittance to the statutory authorities and/or (ii) securities having a value equal to the cash to be remitted to the statutory authorities. The Corporation shall be able to deduct from any payments (whether in the form of securities or cash) and any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted under this Plan. In this regard, the Corporation shall be entitled to sell, on behalf of a Participant, any securities so withheld for purposes of satisfying its remittance obligations. Each Participant agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation or any of its

Subsidiaries if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

14. Certain Adjustments

Appropriate adjustments, with regards to Units granted or to be granted, and in the number of Shares that are available for issue upon redemption of the Units, may be made by the Administrators, acting reasonably, to give effect to the number of common shares of the Corporation resulting from subdivisions, consolidations, conversions, exchanges or reclassifications of the common shares, the payment of stock dividends by the Corporation (other than cash dividends) or other changes in the capital stock of the Corporation that the Administrators may, in their discretion, consider relevant for purposes of ensuring that the rights of the Participants are not prejudiced thereby (including amalgamations, mergers, reorganizations, liquidations and similar material transactions).

15. Effect of Termination on Participation in the Plan

- (a) Upon the occurrence of an Event of No Fault Termination, all of such Participant's Unvested Units will automatically become Vested Units on the date such Event of No Fault Termination occurs.
- (b) Upon the occurrence of an Event of No Fault Termination or an Event of Termination, the Vested Units granted to the relevant Participant may be redeemed only before the earlier of the following:
  - (i) the close of business on the respective Expiry Date of each Unit; and
  - (ii) 90 days following the date of the Event of No Fault Termination (which date shall be calculated without reference to any notice or severance period to which the Participant may be entitled whether by contract or at law), or, one calendar year from the date of the Event of No Fault Termination if the Event of No Fault Termination is the death of the Participant.
- (c) Upon the occurrence of an Event of Termination, all Unvested Units granted to the relevant Participant shall terminate immediately.

16. Transferability

Subject to the terms of this Section, Units may not be assigned. Units may be redeemed by the Participant, and, upon the Participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of a Unit by bequest or inheritance. A Person redeeming a Unit may subscribe for Shares only in his or her own name or in his or her capacity as a legal representative.

17. Amendments to the Plan

The Board reserves the right, in its absolute discretion, to amend, suspend or terminate this Plan, or any portion thereof, at any time without obtaining the approval of shareholders of the Corporation, subject to those provisions of applicable law and regulatory requirements (including the rules, regulations and policies of the TSX), if any, that require the approval of shareholders. Such amendments may include, without limitation:

- (a) minor changes of a "house-keeping nature", including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Plan, or to correct or

supplement any provision of the Plan that is inconsistent with any other provision of the Plan;

- (b) amending Awards under the Plan, including with respect to advancing the Expiry Dates of Units, vesting periods (subject to Minimum Vesting Periods), redemption method and frequency, assignability and the effect of termination of a Participant's employment; provided that such amendment does not adversely alter or impair any Unit previously granted to a Participant without the consent of such Participant;
- (c) advancing the date on which any Units may be redeemed (subject to Minimum Vesting Periods);
- (d) amendments necessary to comply with the provisions of applicable law or the applicable rules of the TSX, including with respect to the treatment of Units granted under the Plan;
- (e) amendments respecting the administration of the Plan;
- (f) amendments necessary to suspend or terminate the Plan;
- (g) a change relating to the eligibility of any Participant or Eligible Participant in the Plan; and
- (h) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the applicable rules of the TSX.

Notwithstanding the foregoing, the Corporation will be required to obtain the approval of the shareholders of the Corporation for any amendment related to:

- (v) amending the provisions relating to the transferability of a Unit, other than for transfers by will or the law of succession or to corporations controlled by the individual or family trusts;
- (w) extending the term of Units;
- (x) amending any Insider Participant limits which result in shareholder approval to be required on a disinterested basis;
- (y) increasing the maximum number of Common Shares which may be issued under the Plan; and
- (z) granting additional powers to the Board to amend the Plan or entitlements without shareholder approval.

Any amendment to any provision of the Plan will be subject to any required regulatory or governmental approvals.

#### 18. Termination of Plan

The Administrators may terminate this Plan at any time in their absolute discretion. If the Plan is so terminated, no further Awards shall be granted, but the Units then outstanding shall continue in full force and effect in accordance with the provisions of this Plan.

19. Compliance with Statutes, Regulations and Policies

The granting of Awards and the issuance and delivery of any Unit Shares under this Plan shall be carried out in compliance with applicable statutes, regulations of governmental authorities and applicable stock exchanges, and corporate policies (including, without limitation, the Corporation's insider trading policy). If the Administrators determine in their discretion that, in order to comply with any such statutes, regulations or policies, certain action is necessary or desirable as a condition of or in connection with the granting of an Award or the issue or delivery of Unit Shares on redemption of a Unit, that Unit may not be redeemed in whole or in part unless that action shall have been completed in a manner satisfactory to the Administrators.

20. Right to Employment

Nothing in the Plan or any Award shall confer upon any person any right to continue in the employ of the Corporation or any Subsidiary thereof, or affect in any way the right of the Corporation or any Subsidiary thereof to terminate his or her employment at any time.

21. Not a Shareholder

Participants shall have no rights as shareholders of the Corporation in respect of any Awards or Units granted to them under the Plan. For greater certainty, and without limitation, holders of Units will not, in respect of their Awards or Units, be entitled to any dividends or other distributions that may be made to shareholders of the Corporation from time to time.

22. Successor Corporation

The Plan applies without any further formality or action to any corporation resulting from the amalgamation of the Corporation with one or more other corporations.

23. Currency

Unless otherwise specified, all references to amounts of money in the Plan refer to Canadian currency.

24. Governing Law

The Plan, and any and all determinations made and actions taken in connection with the Plan, shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

25. Subject to Approval

To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in full force and effect. Shareholder approval of this Plan will be required within three (3) years of the date hereof, and within every three (3) year period thereafter.

**ADOPTED** as of this 18th day of April, 2011.

**TRICON CAPITAL GROUP INC.**

Per: \_\_\_\_\_  
Authorized Signatory