



GENIVAR INCOME FUND

**NOTICE OF ANNUAL AND
SPECIAL MEETING OF VOTING UNITHOLDERS**

to be held on May 27, 2010

and

MANAGEMENT INFORMATION CIRCULAR

with respect to a

PLAN OF ARRANGEMENT

Involving

**GENIVAR INCOME FUND, GENIVAR INC.,
GENIVAR OPERATING TRUST, GENIVAR GP INC.,
GENIVAR LIMITED PARTNERSHIP,
GENIVAR CONSULTANTS LIMITED PARTNERSHIP,
GENIVAR ONTARIO INC. and GENIFINANCE (2006) INC.**

This management information circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these materials or the matters they describe, please consult your professional advisor. If you require more information with respect to voting your securities of GENIVAR Income Fund, please contact CIBC Mellon Trust Company at 1-800-387-0825.

April 15, 2010

April 15, 2010

Dear Voting Unitholders:

You are invited to attend the annual and special meeting (the "**Meeting**") of holders (the "**Voting Unitholders**") of units ("**Units**") and special voting units of GENIVAR Income Fund (the "**Fund**") to be held at the McCord Museum (J. Armand Bombardier Hall), situated at 690, Sherbrooke Street West, Montreal, Québec on May 27, 2010 at 10:00 a.m. At the Meeting, you will be asked to consider a proposed arrangement (the "**Arrangement**") pursuant to which the Fund will convert from an income trust structure to a publicly traded corporation and will combine with GENIVAR Inc. GENIVAR Inc. is a holding corporation through which its shareholders, all of which are employees of the Fund's subsidiaries, hold a 33.35% indirect interest in the Fund. GENIVAR Inc. does not carry on any business or activities and, except for its interest in the Fund, does not have material assets or liabilities.

In addition, the annual meeting business of the Fund will also be conducted at the Meeting, including (a) the placement before Voting Unitholders of both the audited financial statements of the Fund for the year ended December 31, 2009 and the auditor's report thereon; (b) the election of the trustees of the Fund (the "**Fund Trustees**"), trustees of GENIVAR Operating Trust (the "**Trustees**") and the directors of GENIVAR GP Inc. (the "**GP Directors**") who will serve until the effective date of the Arrangement or, if the Arrangement is not completed, until the end of the next annual meeting of the Voting Unitholders or until their successors are appointed; (c) the appointment of the auditors of the Fund; and (d) the consideration of such other business, if any, that may properly come before the Meeting or any adjournment thereof.

As you know, on April 15, 2010, the Fund and GENIVAR Inc. entered into an arrangement agreement, which was unanimously approved by the Fund Trustees (with interested trustees abstaining) pursuant to which they have proposed to implement the Arrangement.

If approved, the Arrangement will result, on or about January 1, 2011 (the "**Effective Date**"), in the reorganization of the Fund's income trust structure into a public corporation to be named "GENIVAR Inc." ("**New GENIVAR**") and the combination of the Fund with GENIVAR Inc. Pursuant to the Arrangement, holders of Units will receive, for each Unit held, one common share of New GENIVAR (a "**New GENIVAR Share**") and the shareholders of GENIVAR Inc. (the "**Shareholders**") will receive, for each common share of GENIVAR Inc. held immediately prior to the Effective Date (but after the split contemplated in the Arrangement), 0.8929 New GENIVAR Share. As of the date hereof, the Shareholders hold a 33.35% indirect interest in the Fund and holders of Units hold a 66.65% direct interest in the Fund. On completion of the Arrangement, Shareholders are anticipated to own approximately 30.89% of New GENIVAR and the holders of Units are anticipated to own approximately 69.11% of New GENIVAR. The aggregate ownership percentage of each of the Shareholders and holders of Units will be adjusted depending on the adjusted net asset value of GENIVAR Inc. as of December 31, 2010. It is not expected that any such adjustment will be material to the aggregate ownership percentage of New GENIVAR by holders of Units. A press release will be issued by the Fund on December 31, 2010 setting out the amount of any such adjustment and its impact on the aggregate ownership of New GENIVAR by holders of Units and Shareholders. See "The Arrangement" in the body of the accompanying management information circular (the "**Circular**") of the Fund.

In conjunction with the consideration of the Arrangement, Voting Unitholders will also be considering and voting upon the approval of a long-term incentive plan for New GENIVAR, as more particularly described in the accompanying Circular.

The proposed reorganization of the Fund's income trust structure into a public corporation and the combination of the Fund with GENIVAR Inc. is primarily the result of (i) changes to Canadian federal income tax legislation relating to specified investment flow through trusts ("**SIFTS**") that were announced on October 31, 2006 and the subsequent limitations placed on SIFTS, which evidenced the intention of the Department of Finance to eliminate the benefit of the public income trust market and (ii) the willingness of the board of Fund Trustees and the board of directors of GENIVAR Inc. to simplify and consolidate the structure of the Fund and GENIVAR Inc.

In approving the Arrangement and making its recommendation, the board of Fund Trustees has considered a number of factors including the following considerations and anticipated strategic benefits of the Arrangement:

- (a) the Arrangement will (i) simplify the business structure and provide a structure similar to other publicly traded industry participants, (ii) simplify the structure for future acquisitions, and (iii) provide for a more straightforward corporate structure for the negotiation of operational contracts;
- (b) the Arrangement will lead to a simplified capital structure;
- (c) the Securityholders' Agreement (as defined in the Circular) will be terminated and, accordingly, there will no longer exist any right of GENIVAR Inc. to appoint members to the board of Fund Trustees, the board of Trustees and the board of GP Directors;
- (d) the federal government's decision to effectively eliminate the benefits of the income trust structure;
- (e) New GENIVAR will implement a dividend policy which is expected to provide an attractive return to shareholders of New GENIVAR;
- (f) New GENIVAR will be managed by the same experienced team of professionals that have demonstrated their ability to efficiently manage the operations of the operating subsidiaries of the Fund and to deliver on development and acquisition opportunities;
- (g) the exchange of Units for New GENIVAR Shares pursuant to the Arrangement will be completed on a tax-free "rollover" basis for Canadian federal tax purposes;
- (h) the Shareholders are expected to enter into lock-up agreements with New GENIVAR;
- (i) the Arrangement must receive the appropriate approval from the Voting Unitholders and the Shareholders and approval from the Superior Court of Québec in order to become effective; and
- (j) the Fairness Opinion (as defined below) was delivered to the board of Fund Trustees and the special committee of the board of Fund Trustees (the "**Special Committee**") and the Valuation (as defined below) was delivered to the Special Committee.

After the completion of the Arrangement, it is anticipated that New GENIVAR will implement a dividend policy whereby it will initially pay a quarterly dividend of \$0.375 (\$1.50 per annum) per New GENIVAR Share. Provided the Arrangement is approved by holders of Units at the Meeting, the first quarterly dividend is anticipated to be declared in respect of the quarter ended March 31, 2011 and paid on or about April 15, 2011. Any decisions to pay dividends on the New GENIVAR Shares will be made by the board of directors of New GENIVAR based on, among other things, New GENIVAR's earnings, financial requirements for New GENIVAR's operations, the satisfaction of applicable solvency tests for the declaration and payment of dividends and other conditions existing from time to time. As such, the board of directors of New GENIVAR will have the entire discretion to modify the dividend policy from time to time. **As a result, no assurance can be given as to whether New GENIVAR will pay dividends, or the frequency or amount of any such dividend.**

The resolution approving the Arrangement and related matters (the "**Arrangement Resolution**") must be approved by not less than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the votes cast by the Voting Unitholders present in person or by proxy at the Meeting and by a majority of votes cast by the holders of Units after excluding Units beneficially owned or over which control or direction is exercised by such persons whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 — *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**").

GENIVAR Inc. and each of the members of the board of Fund Trustees, the board of Trustees, the board of GP Directors and each of the executive officers of GENIVAR Limited Partnership, holding in the aggregate 33.433% of the Voting Units, have indicated they intend to vote all of their Voting Units in favour of the Arrangement.

Blair Franklin Capital Partners Inc. provided the board of Fund Trustees and the Special Committee with a fairness opinion ("**Fairness Opinion**") which indicates that the consideration to be offered to the holders of Units pursuant to the Arrangement is fair, from a financial point of view, to the holders of Units other than such holders of Units

whose votes may not be included in determining minority approval pursuant to MI 61-101 (collectively, the "**Excluded Unitholders**"). KPMG LLP provided the Special Committee with a formal valuation ("**Valuation**"), prepared in accordance with MI 61-101 which provides, among other things, that, as of April 15, 2010, the fair market value of all of the Units (on a fully-diluted basis) is in the range of \$760,600,000 to \$781,000,000, which represents a value per Unit of \$28.00 to \$28.75, and that, as of April 15, 2010, the pro forma fair market value of the New GENIVAR Shares viewed "en bloc" is in the range of \$732,800,000 to \$753,800,000, which, based on the number of New GENIVAR Shares expected to be issued on the Effective Date, represents a value per New GENIVAR Share of \$27.98 to \$28.78.

The Fund Trustees, based upon their own investigations, including their consideration of the recommendation of the Special Committee, the Valuation and the Fairness Opinion, unanimously concluded that the Arrangement is fair to holders of Units (other than the Excluded Unitholders), and is in the best interest of the Fund and the holders of Units. **The Fund Trustees therefore recommend that holders of Units (other than the Excluded Unitholders) vote in favour of the Arrangement Resolution.**

We encourage you to read the materials in the attached Circular carefully. The Circular contains a detailed description of the Arrangement as well as detailed information regarding the Fund and New GENIVAR. Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisor. The record date for determination of Voting Unitholders entitled to vote at the Meeting is April 20, 2010. If you are unable to attend the Meeting in person, please complete and deliver the applicable enclosed form of proxy in order to ensure your representation at the Meeting.

On behalf of the board of Fund Trustees, the board of Trustees and the board of GP Directors, we would like to express our gratitude for the support of our Voting Unitholders have demonstrated with respect to our decision to take the proposed Arrangement forward. We look forward to seeing you at the Meeting.

Yours very truly,



Pierre Shoiry
President and Chief Executive Officer



Daniel Fournier
Chairman of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors

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GENIVAR INCOME FUND

NOTICE OF ANNUAL AND SPECIAL MEETING OF VOTING UNITHOLDERS

NOTICE IS HEREBY GIVEN THAT pursuant to an order (the "**Interim Order**") of the Superior Court of Québec dated April 23, 2010, the annual and special meeting (the "**Meeting**") of the holders of units and special voting units (the "**Voting Unitholders**") of GENIVAR Income Fund (the "**Fund**") will be held at the McCord Museum (J. Armand Bombardier Hall), situated at 690, Sherbrooke Street West, Montreal, Québec, on May 27, 2010 at 10:00 a.m. for the following purposes:

- (a) to consider pursuant to the Interim Order and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying information circular of the Fund dated April 15, 2010 (the "**Circular**"), and to approve a plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the "**Arrangement**") as well as all transactions contemplated thereby, all as more particularly described in the Circular;
- (b) provided the Arrangement Resolution is approved, to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution (the "**Long-Term Incentive Plan Resolution**"), the full text of which is set forth in Appendix H to the Circular, and to approve, subject to completion of the Arrangement, a long-term incentive plan for the entity resulting from the Arrangement, all as more particularly described in the Circular;
- (c) to receive the audited financial statements of the Fund for the period ended December 31, 2009 and to receive the report of the auditor thereon;
- (d) to elect the trustees of the Fund (the "**Fund Trustees**"), the trustees of GENIVAR Operating Trust (the "**Trustees**") and the directors of GENIVAR GP Inc. (the "**GP Directors**") to hold office until the effective date of the Arrangement or, if the Arrangement is not completed, until the next annual meeting of the Voting Unitholders or until their successors are appointed;
- (e) to appoint the auditor of the Fund for the forthcoming year and to authorize the Fund Trustees to fix the auditor's remuneration; and
- (f) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Voting Unitholders at the Meeting are set forth in the Circular, which forms part of this notice of meeting.

The record date (the "**Record Date**") for determination of Voting Unitholders entitled to receive notice of and to vote at the Meeting is April 20, 2010. Only Voting Unitholders whose names have been entered in the applicable register of units and special voting units, on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. Voting Unitholders who acquire units or special voting units after the Record Date will not be entitled to vote such units or special voting units at the Meeting.

A Voting Unitholder may attend the Meeting in person or may be represented by proxy. Voting Unitholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the proxy must be received by CIBC Mellon Trust Company at one of its principal Corporate Trust offices in Halifax, Montreal, Toronto, Vancouver or Calgary, by no later than 5:00 p.m. (Montreal time) on May 25, 2010, or with the Secretary of the Meeting prior to the commencement of the Meeting on the day of the Meeting or on the day of any adjournment or postponement of the Meeting.

A proxyholder has discretion under the accompanying form of proxy to consider a number of matters that are not yet determined. Holders of units and special voting units who are planning on returning the accompanying form of proxy are encouraged to review the Circular carefully before submitting the proxy form.

Pursuant to the Interim Order and the Arrangement, registered holders of units have the right to dissent with respect to the Arrangement Resolution, as though the units were shares of a corporation governed by the *Canada Business Corporations Act* ("CBCA"), and, if the Arrangement Resolution becomes effective, to be paid the fair value of their units in accordance with the provisions of Section 190 of the CBCA, as modified by the Arrangement and the Interim Order. A unitholder's right to dissent is more particularly described in the Circular, and the text of Section 190 of the CBCA and the Interim Order are set forth in Appendix G and Appendix B respectively, to the Circular. Only registered holders of units are entitled to exercise rights of dissent. A dissenting holder of units must send to the Fund at 1600 René-Lévesque Blvd. West, 16th Floor, Montreal, Québec, Canada, H3H 1P9, Attention: Corporate Secretary, a written objection to the Arrangement Resolution, which written objection must be received by 5:00 p.m. (Montreal time) on the last business day immediately preceding the date of the Meeting or any adjournment thereof.

It is recommended that any holder of units wishing to avail himself or herself of his or her dissent rights seek legal advice, as the provisions covering the right to dissent are technical and complex. Failure to strictly comply with the requirements set forth in Section 190 of the CBCA, as modified by the Interim Order and the Arrangement, may result in the loss or unavailability of any dissent rights. Persons who are beneficial owners of units registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent, should be aware that only registered holders are entitled to dissent. Accordingly, a beneficial owner of units desiring to exercise dissent rights must make arrangements for such units beneficially owned to be registered in such holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by the Fund or, alternatively, make arrangements for the registered holder of such units to dissent on such holder's behalf. Pursuant to the Interim Order, a holder of units may not exercise dissent rights in respect of only a portion of such holder's unit.

DATED at the City of Montreal, in the Province of Québec, this 15th day of April, 2010.

BY ORDER OF THE BOARD OF FUND TRUSTEES



Pierre Shoiry
President and Chief Executive Officer



Daniel Fournier
Chairman of the Board of Fund Trustees, the Board
of Trustees and the Board of GP Directors

**GENIVAR INCOME FUND
MANAGEMENT INFORMATION CIRCULAR**

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MANAGEMENT INFORMATION CIRCULAR

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the Fund Trustees for use at the Meeting and any adjournment thereof. No Person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Arrangement Agreement, which agreement is attached as Appendix C to this Circular. You are urged to carefully read the full text of the Plan of Arrangement, attached as Schedule B to the Arrangement Agreement.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "Glossary of Terms" or elsewhere in the Circular. Information contained in this Circular is given as of April 15, 2010, unless otherwise specifically stated.

Forward Looking Statements

This Circular includes forward-looking statements within the meaning of applicable securities laws. These statements relate to analysis and other information that are based on forecasts of future results or events and estimates of amounts not yet determinable. The statements may involve, but are not limited to, comments relating to strategies, expectations, planned operations or future actions.

These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions.

Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, (i) GENIVAR's ability to maintain profitability and manage growth; (ii) GENIVAR's reputational risk; (iii) GENIVAR's reliance on key professionals; (iv) shortage of engineers; (v) competition in the industry; (vi) GENIVAR's possible acquisitions and integrations; (vii) reduction of backlog; (viii) geographic concentration and dependence on economic conditions; (ix) fixed-price negotiated fee contracts; (x) GENIVAR's dependence on clients; (xi) increased assumption of risk by GENIVAR; (xii) risk of future legal proceedings; (xiii) GENIVAR's insurance limits; (xiv) GENIVAR's additional capital requirements; (xv) GENIVAR's accounts receivables; (xvi) reduction in the scope of environmental regulations; (xvii) GENIVAR's international operations which are subject to numerous risks; (xviii) dependence upon the Trust and GENIVAR LP; (xix) cash distributions are not guaranteed and will fluctuate with the GENIVAR Engineering Services Business performance; (xx) nature of Units; (xxi) unpredictability and volatility of Unit price; (xxii) the fact that the Fund is not a corporation; (xxiii) redemption of Units; (xxiv) distribution of securities on redemption or termination of the Fund; (xxv) leverage and restrictive covenants; (xxvi) income tax matters; (xxvii) enforcement of indemnities under the Subscription Agreement; (xxviii) limitation of non-resident ownership; (xxix) restrictions on potential growth; (xxx) dilution; (xxxii) conversion to a corporate structure; (xxxiii) ownership interest of GENIVAR Inc. and potential conflict of interest; (xxxiv) unitholder's liability; (xxxv) conditions precedent and required regulatory and third party approvals in connection with the Arrangement; (xxxvi) risk of future legal proceedings associated with completed projects as part of the General Contracting Business; (xxxvii) potential undisclosed liabilities of the GENIVAR Holding Group; and (xxxviii) risks related to New GENIVAR, as well as the other factors identified throughout this Circular or in the documents incorporated by reference herein. The forward-looking statements contained herein represent the expectations of

Management as of the date of this Circular, and are subject to change after such date. However, the Fund disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities laws. See "Risk Factors".

Supplementary Disclosure – Non-GAAP Measures

GENIVAR uses non-GAAP measures that are used by Canadian open-ended income funds as indicators of financial performance measures which are not recognized under generally accepted accounting principles ("**GAAP**") and may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable. GENIVAR believes these measures are useful supplemental measures that may assist investors in assessing an investment in Units.

References to EBITDA are to earnings for the year before interest, tax, depreciation of property, plant and equipment and amortization of intangible assets. EBITDA is not a recognized earnings measure and does not have a standardized meaning under GAAP. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings for the year (as determined in accordance with GAAP) as an indicator of GENIVAR's performance, or as an alternative to cash flows from operating, financing and investing activities as a measure of GENIVAR's liquidity and cash flows. GENIVAR's method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, GENIVAR's EBITDA may not be comparable to similar measures used by other issuers.

References to net revenues are to revenues adjusted for an item that GENIVAR believes facilitates the comparison of historical periods. In the course of providing services, the GENIVAR Engineering Services Business incurs certain direct costs for subconsultants and other expenses that are recoverable directly from clients. The revenues associated with these direct costs are included in the revenues of the GENIVAR Engineering Services Business. Since such direct costs and their associated revenues can vary significantly from contract to contract, changes in the revenues of the GENIVAR Engineering Services Business may not be indicative of the GENIVAR Engineering Services Business. Accordingly, the GENIVAR Engineering Services Business also reports net revenues, which is revenues less subconsultants and other direct expenses, and analyzes its results in relation to net revenues rather than revenues. GENIVAR believes that net revenues is a supplemental measure in evaluating its performance and in determining whether to invest in the Units. Net revenues is not a measure in accordance with GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, net revenues may not be comparable to similar measures presented by other issuers. Investors are cautioned that net revenues should not be construed as an alternative to revenues for the year (as determined in accordance with GAAP) as an indicator of GENIVAR's performance.

GENIVAR views Distributable Cash as an operating performance measure and it is a non-GAAP measure generally used by Canadian income funds as an indicator of financial performance. Distributable Cash is calculated in accordance with the recommendations provided in CICA's publication "Standardized Distributable Cash in Income Trusts and Other Flow-Through Entities". Standardized Distributable Cash is defined as cash flows from operating activities as reported in the GAAP financial statements, including the effects of changes in non-cash working capital and any operating cash flows provided from or used in discontinued operations, less adjustments for:

- (a) total capital expenditures as reported in the GAAP financial statements; and
- (b) restrictions on distributions arising from compliance with financial covenants restrictive at the date of the calculation of Standardized Distributable Cash and limitations arising from the existence of a minority interest in a Subsidiary.

GENIVAR also calculates an Adjusted Distributable Cash, which is defined as Standardized Distributable Cash adjusted for entity specific adjustment items that Management believes are appropriate for the determination of levels of distributions. Distributions are based on actual historical and estimated future performance of GENIVAR on a full-year basis. Consequently, periodic fluctuations in non-cash working capital are not considered when evaluating the cash flows available for distribution.

Payout Ratio is defined as the aggregate cash distributions divided by the Standardized Distributable Cash. Whereas Adjusted Payout Ratio is defined as aggregate cash distributions divided by Adjusted Distributable Cash.

Notice to Unitholders in the United States

The New GENIVAR Shares to be issued to Unitholders in exchange for their Units under the Arrangement have not been and will not be registered under the 1933 Act, and such securities are being issued to Unitholders in reliance on the exemption from the registration provided by Section 3(a)(10) of the 1933 Act on the basis of the approval of the Court which will consider, among other things, the fairness of the Arrangement to Unitholders. The solicitation of proxies for the Meeting is not subject to the proxy requirements of Section 14(a) of the 1934 Act. Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Unitholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act. Specifically, information concerning the operations of the Fund contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. The Financial Statements of the Fund, incorporated by reference in this Circular, have been presented in Canadian dollars, were prepared in accordance with Canadian GAAP and are subject to Canadian auditing and auditor independence standards, and thus are not comparable in all respects to financial statements or financial information of United States companies.

U.S. holders are advised to consult their tax advisors to determine the particular tax consequences to them of the Arrangement.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that the Fund, the Trust and GENIVAR GP are organized under the laws of Canada, that most of their respective officers and directors and trustees are residents of countries other than the United States, that certain of the experts named in this Circular are residents of countries other than the United States, and that all or substantial portions of the assets of the Fund, the Trust and GENIVAR GP and such other Persons are, or will be, located outside the United States.

For further information, see "The Arrangement – Securities Law Matters – United States" in this Circular.

THE NEW GENIVAR SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Currency

All dollar amounts set forth in this Circular are in Canadian dollars, except where otherwise indicated.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Circular, including the Summary hereof.

"**1933 Act**" means the United States *Securities Act of 1933*, as amended;

"**1934 Act**" means the United States *Securities Exchange Act of 1934*, as amended;

"**9050-7419**" means 9050-7419 Québec Inc., a corporation constituted under the laws of the Province of Québec;

"**9050-7419 Shares**" means the class "A" to class "D" common shares in the share capital of 9050-7419;

"**Acquisition Agreement**" means the acquisition agreement made as of May 25, 2006, among GENIVAR GP, GENIVAR LP and GENIVAR Inc.;

"**Adjusted Net Asset Value**" means the mid-point of the range of the values provided by KPMG which are based on the Net Book Value, as adjusted by KPMG to reflect (a) the exclusion of any value ascribed to the Exchangeable LP Units and related future taxes liabilities; (b) the fair market value of assets and liabilities of GENIVAR Inc. and GENIFINANCE on a consolidated basis as of December 31, 2010; (c) the conversion steps listed in the Conversion Step Plan (as defined in the Arrangement Agreement); and (d) all events or circumstances affecting GENIVAR Inc., its Subsidiaries and GENIFINANCE that occurred on or prior December 31, 2010, the whole using the same methodology as contained in the Valuation, provided that the dividend amount promissory notes will be considered as working capital elements so that their fair market value will be deemed equivalent to their face value;

"**AIF**" means the Annual Information Form of the Fund dated March 26, 2010 in respect of the Fund's fiscal year ended December 31, 2009, incorporated by reference in this Circular;

"**Arrangement**" means the proposed arrangement, under the provisions of Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement as supplemented, modified or amended;

"**Arrangement Agreement**" means the arrangement agreement dated as of April 15, 2010, among GENIVAR Inc., GENIFINANCE, the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario pursuant to which the parties have proposed to implement the Arrangement, a copy of which agreement is attached as Appendix C to this Circular, including any amendments thereto;

"**Arrangement Resolution**" means the special resolution in respect of the Arrangement and related matters, to be considered at the Meeting, a copy of which is attached as Appendix A to this Circular;

"**Articles of Arrangement**" means the articles in respect of the Arrangement required under Subsection 192(6) of the CBCA to be filed with the Director after the Final Order has been granted;

"**Audit Committee**" means the audit committee of GENIVAR Income Fund and GENIVAR GP;

"**Benefit Rule**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Unitholders Resident in Canada – Exchange of Units";

"**Black-Out Period**" means a period during which designated employees of New GENIVAR cannot trade New GENIVAR Shares pursuant to New GENIVAR's policy respecting restrictions on employee trading which is in effect at that time;

"**Blair Franklin**" means Blair Franklin Capital Partners Inc.;

"**BMO**" means BMO Nesbitt Burns Inc.;

"**Board of Fund Trustees**" means the board of trustees of the Fund;

"**Board of GP Directors**" means the board of directors of GENIVAR GP;

"**Board of Trustees**" means the board of trustees of the Trust;

"**Budget Proposals**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Non-Resident Unitholders – Exchange of Units";

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in the City of Montreal, in the Province of Québec, for the transaction of banking business;

"**Cash Consideration**" means \$0.0001 in cash per GENIFINANCE Share;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C.44;

"**CCAA**" means the *Company's Creditor Arrangement Act*;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**CEO**" has the meaning ascribed to it under Annual Business of the Meeting – Statement of Governance Practices – Position Descriptions";

"**CFO**" has the meaning ascribed to it under "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Short-Term Incentive Plan";

"**Certificate**" means the certificate to be issued by the Director pursuant to Subsection 192(7) of the CBCA giving effect to the Arrangement;

"**Chairman**" has the meaning ascribed to it under "Annual Business of the Meeting – Statement of Governance Practices – Position Descriptions";

"**CIBC Mellon**" means CIBC Mellon Trust Company;

"**CICA**" means the Canadian Institute of Chartered Accountants;

"**Circular**" means this management information circular of the Fund dated April 15, 2010, together with all appendices hereto, distributed to Voting Unitholders in connection with the Meeting;

"**Class A LP Units**" means the class A units of GENIVAR LP;

"**Class B LP Units**" means the class B units of GENIVAR LP;

"**Class C LP Units**" means the class C units of GENIVAR LP;

"**Code**" has the meaning ascribed to it under "Annual Business of the Meeting – Statement of Governance Practices – Code of Ethics and Business Conduct";

"**Committees**" means, collectively, the Audit Committee, the Corporate Governance, Nominating and Compensation Committee and the Risk Committee and "**Committee**" means any one of them;

"**Comparator Group**" has the meaning ascribed to it under "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Comparator Group";

"**Conversion Rules**" has the meaning ascribed to it under "Summary Information – Background to the Arrangement – The SIFT Rules";

"**Corporate Governance, Nominating and Compensation Committee**" means the corporate governance nominating and compensation committee of the Board of GP Directors;

"**Court**" means the Superior Court of Québec;

"**CRA**" means the Canada Revenue Agency;

"**Director**" means the director appointed under Section 260 of the CBCA;

"**Disinterested Unitholders**" means all of the Unitholders excluding the Excluded Unitholders;

"**Dissenting GENIFINANCE Shareholders**" means registered holders of GENIFINANCE Shares who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Plan of Arrangement and the Interim Order and whose dissent rights remain valid immediately before the Effective Time;

"**Dissenting GENIVAR Inc. Shareholders**" means registered holders of GENIVAR Inc. Common Shares who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Plan of Arrangement and the Interim Order and whose dissent rights remain valid immediately before the Effective Time;

"**Dissenting Unitholders**" means Unitholders who validly exercise Dissent Rights provided to them under the Plan of Arrangement and the Interim Order and whose Dissent Rights remain valid immediately before the Effective Time;

"**Dissent Rights**" means the right of a registered Unitholder to dissent to the Arrangement Resolution and to be paid the fair value of the Units in respect of which the holder dissents, all in accordance with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement;

"**Dividend Amount**" has the meaning ascribed to it under "The Arrangement – Arrangement Agreement – Dividend Amount";

"**Dividend Amount Promissory Notes**" has the meaning ascribed to it under "The Arrangement – Arrangement Agreement – Dividend Amount";

"**Dividend Equivalent**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – General Terms Applicable to RSUs and Options";

"**DSU Plan**" has the meaning ascribed to it under "Information Concerning New GENIVAR – Statement of Executive Compensation – Compensation Program of New GENIVAR";

"**EBITDA**" means earnings before interest, tax, depreciation of property, plant and equipment and amortization of intangible assets;

"**E&Y**" means Ernst and Young LLP;

"**Effective Date**" means the date the Arrangement is effective under the CBCA, which is expected to occur on or about January 1, 2011;

"**Effective Time**" means 12:01 a.m. (Montreal time) on the Effective Date;

"**Eligible Participants**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – Introduction";

"**Engagement Letter**" has the meaning ascribed to it under "Summary Information – Recommendation – Advisors";

"**ESOP**" has the meaning ascribed to it under "Information Concerning New GENIVAR – Statement of Executive Compensation – Compensation Program of New GENIVAR";

"**Exchangeable LP Units**" means collectively the Class B LP Units and the Class C LP Units;

"**Exchange Agreement**" means the exchange agreement made as of May 25, 2006 among the Fund, the Trust, GENIVAR LP, GENIVAR GP and GENIVAR Inc., as amended on September 13, 2007 by an amended and restated exchange agreement pursuant to which 4432011 Canada Inc. was added as a party, and to which 4446364 Canada Inc., a wholly-owned Subsidiary of GENIVAR Inc., also became a party on September 25, 2008;

"**Excluded Unitholders**" means the Unitholders whose votes may not be included in determining minority approval pursuant to MI 61-101, whom as of the date of this Circular are Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, Marc Rivard, Éric Tremblay, François Perreault, Brian Barber, Shawn Gibbons, Faramarz Kordgharachorloo, Brian Oshust, François Morton, Tony Veilleux, Bill Brandt and Jeff Reichert, to the extent they hold any Units;

"**Executive Officers**" has the meaning ascribed to it under "General Proxy Matters – Principal Voting Unitholders";

"**Existing Investor**" means collectively GENIVAR Inc., 4432011 Canada Inc., and 4446364 Canada Inc. and any direct or indirect wholly-owned Subsidiary thereof who (i) is admitted as a special partner under the GENIVAR LP Agreement in accordance with the terms thereof, and (ii) executes the Securityholders' Agreement and the Exchange Agreement or is deemed to be a party thereto, and, each of their respective successors and permitted assignees;

"**Fairness Opinion**" means the opinion of Blair Franklin dated April 15, 2010 a copy of which is attached as Appendix D to this Circular;

"**Final Order**" means the final order of the Court approving the Arrangement as such order may be amended or varied at any time prior to the Effective Time, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

"**Financial Statements**" means the audited consolidated financial statements of the Fund as at December 31, 2009 and 2008 and for the years then ended, together with notes thereto and the auditors' report thereon;

"**Fund**" means GENIVAR Income Fund an unincorporated limited purpose trust established under the laws of the Province of Québec by the Fund Declaration of Trust, and, where the context requires, its Subsidiaries;

"**Fund Declaration of Trust**" means the declaration of trust dated March 31, 2006 as amended by an amended and restated declaration of trust dated May 16, 2006, pursuant to which the Fund was created, as may be amended, supplemented or restated from time to time;

"**GAAP**" means generally accepted accounting principles in Canada as in effect from time to time;

"**General Contracting Business**" means the general contracting activities historically carried on by GENIVAR Inc. directly and through its Subsidiaries following the Initial Public Offering and, for greater certainty, excludes the GENIVAR Engineering Services Business;

"**GENIFINANCE**" means GENIFINANCE (2006) Inc., a corporation incorporated under the CBCA;

"**GENIFINANCE Shareholders**" means the holders from time to time of GENIFINANCE Shares;

"**GENIFINANCE Shares**" means the shares of GENIFINANCE;

"**GENIVAR**" means collectively the Fund, the Trust, GENIVAR GP and GENIVAR LP, together with their respective Subsidiaries and other entities controlled by them;

"**GENIVAR Consultants LP**" means GENIVAR Consultants Limited Partnership, a limited partnership formed under the laws of the Province of Québec pursuant to the GENIVAR Consultants LP Agreement;

"**GENIVAR Consultants LP Agreement**" means the limited partnership agreement of GENIVAR Consultants LP made as of December 13, 2006 between GENIVAR Ontario, as general partner and GENIVAR LP, as limited partner, as the same may be amended, supplemented or restated from time to time;

"**GENIVAR Engineering Services Business**" means the engineering services business consisting of professional consulting engineering services and related services such as project management, program management, outsourcing and acting as owner's advocate, in relation to the development and implementation of infrastructure and other projects currently carried on by GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario. For greater certainty, the GENIVAR Engineering Services Business excludes the General Contracting Business;

"**GENIVAR GP**" means GENIVAR GP Inc., a corporation incorporated under the laws of Canada, acting as general partner of GENIVAR LP;

"**GENIVAR Holding Group**" means collectively GENIVAR Inc. and GENIFINANCE, together with their Subsidiaries;

"**GENIVAR Inc.**" means GENIVAR Inc., a corporation incorporated under the laws of Canada, and its Subsidiaries and characterized elsewhere in GENIVAR's public disclosure documents as Non-Controlling Unitholder;

"**GENIVAR Inc. Common Shares**" means the common shares of GENIVAR Inc.;

"**GENIVAR Inc. Shareholders**" means the holders from time to time of GENIVAR Inc. Common Shares;

"**GENIVAR LP**" means GENIVAR Limited Partnership, a limited partnership formed under the laws of the Province of Québec pursuant to the GENIVAR LP Agreement;

"**GENIVAR LP Agreement**" means the limited partnership agreement made as of March 31, 2006 between GENIVAR Inc., as initial special partner, and GENIVAR GP, governed by the laws of the Province of Québec, pursuant to which GENIVAR LP was established, as amended and restated on May 16, 2006, as the same may be amended, supplemented or restated from time to time;

"**GENIVAR Meeting**" means the joint annual and special meeting of the GENIVAR Inc. Shareholders and the GENIFINANCE Shareholders to be held on May 27, 2010, and any adjournment(s) thereof, to, among other things, consider and vote on the Arrangement;

"**GENIVAR Ontario**" means GENIVAR Ontario Inc., a corporation incorporated under the laws of the Province of Ontario;

"**GENIVAR Share Conversion Ratio**" means 0.8929 as adjusted as set out under "The Arrangement – Effect of the Arrangement – Conversion Ratio";

"**GP Directors**" means the directors of GENIVAR GP;

"**Income Tax Act**" or "**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1. (5th Supp), as amended, including the regulations promulgated thereunder;

"**Initial Public Offering**" means the offering of 10,000,000 Units issued and sold by the Fund pursuant to the prospectus dated May 16, 2006;

"**Interim Order**" means the interim order of the Court dated April 23, 2010 in connection with the approval of the Arrangement, providing for, among other things, the calling and holding of the Meeting, a copy of which order is

attached as Appendix B to this Circular, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**KPMG**" means KPMG LLP;

"**Lock-Up Agreements**" has the meaning ascribed to it under "Summary Information – Lock-Up Agreements";

"**Long-Term Incentive Plan**" means the long-term incentive plan of New GENIVAR to be considered by Voting Unitholders at the Meeting, a copy of which is attached as Appendix I to this Circular and if the Arrangement is completed, an executed copy of the Long –Term Incentive Plan will be available on SEDAR at www.sedar.com under New GENIVAR's SEDAR profile;

"**Long-Term Incentive Plan Committee**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – Introduction";

"**Long-Term Incentive Plan Resolution**" means the resolution of New GENIVAR regarding the Long-Term Incentive Plan to be considered by Voting Unitholders at the Meeting, a copy of which is attached as Appendix H to this Circular;

"**LTIP**" has the meaning ascribed to it under "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – What the Compensation program is designed to reward";

"**Management**" means management of GENIVAR;

"**Management's Discussion and Analysis**" or "**MD&A**" means the management's discussion and analysis of the financial condition and results of operations of the Fund for the year ended December 31, 2009;

"**Meeting**" means the annual and special meeting of Voting Unitholders to be held on May 27, 2010, and any adjournment(s) thereof, to, among other things, consider and vote on the Arrangement Resolution;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Minister**" means the Minister of Finance (Canada);

"**Minority Approval**" has the meaning ascribed to it under "The Arrangement – Procedure for the Arrangement Becoming Effective – Unitholders Approval";

"**Named Executive Officers**" or "**NEOs**" has the meaning ascribed to it under "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Policy";

"**Named Proxyholders**" has the meaning ascribed to it under "General Proxy Matters – Voting";

"**Net Book Value**" means the difference between (i) the value ascribed, in accordance with GAAP, to all of the assets of GENIVAR Inc. and GENIFINANCE on a consolidated basis and (ii) the value ascribed, in accordance with GAAP, to all of the liabilities of GENIVAR Inc. and GENIFINANCE on a consolidated basis excluding (a) any value ascribed to any equity interest held by GENIFINANCE in GENIVAR Inc. or to any equity interest held by GENIVAR Inc. in GENIFINANCE; and (b) any value ascribed to inter-company accounts receivable or payable between GENIVAR and GENIFINANCE, the whole as determined based on the reviewed consolidated financial statements of GENIVAR Inc., its Subsidiaries and GENIFINANCE for the period ending on December 1, 2010;

"**New GENIVAR**" means the resulting entity of the amalgamation of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario, to be named "GENIVAR Inc.", which will become the public entity resulting from the Arrangement;

"**New GENIVAR Shareholders**" means the holders of New GENIVAR Shares;

"**New GENIVAR Shares**" means the common shares in the share capital of New GENIVAR, which common shares will be issued to Unitholders in consideration for the transfer of their Units and to GENIVAR Inc. Shareholders in consideration for the exchange of their GENIVAR Inc. Common Shares, respectively held as of the Effective Date, pursuant to the Arrangement;

"**Nominee**" has the meaning ascribed to it under "General Proxy Matters – Voting – How to Vote – non-registered Voting Unitholders";

"**Non-Resident**" means (i) a Person who for the purposes of the Tax Act is neither a resident nor deemed to be a resident of Canada (including as a consequence of an applicable income tax treaty or convention); or (ii) a partnership that is not a "Canadian partnership" for the purposes of the Tax Act;

"**Non-Resident Dissenting Unitholder**" means a Dissenting Unitholder that is a Non-Resident Unitholder;

"**Non-Resident Unitholder**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Non-Resident Unitholders";

"**Notice of Meeting**" means the Notice of Annual and Special Meeting of Voting Unitholders which accompanies this Circular;

"**Options**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – Introduction";

"**Participants**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – Introduction";

"**PCI**" means PCI – Perrault Consulting Inc.;

"**Performance Period**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – Specific Terms Related to the RSUs";

"**Period**" has the meaning ascribed to it under "Annual Business of the Meeting – Performance Graph";

"**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"**Plan**" or "**Plan of Arrangement**" means the plan of arrangement attached as Schedule B to the Arrangement Agreement, which agreement is attached as Appendix C to this Circular, as amended or supplemented from time to time in accordance with the terms thereof;

"**Preferred Business Relationship Agreement**" means the preferred business relationship agreement entered into on May 25, 2006 between GENIVAR Inc. and GENIVAR LP;

"**Preferred Shares**" means the preferred shares of GENIVAR Inc.;

"**Proxyholder**" has the meaning ascribed to it under "General Proxy Matters – Voting";

"**RSUs**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – Introduction";

"**Record Date**" means the close of business on April 20, 2010;

"**Regulation S**" means Regulation S under the 1933 Act;

"**Resident**" means a Person who is not a Non-Resident;

"**Resident Dissenting Unitholder**" means a Dissenting Unitholder that is a Resident Unitholder;

"**Resident New GENIVAR Shareholder**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Unitholders Resident in Canada – Dividends on New GENIVAR Shares";

"**Resident Unitholder**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Unitholders Resident in Canada";

"**Restriction Period**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – Specific Terms Related to the RSUs";

"**Risk Committee**" means the risk committee of the Board of GP Directors;

"**Securityholders' Agreement**" means the securityholders' agreement made as of May 25, 2006, as amended on September 13, 2007, among the Fund, the Trust, GENIVAR LP, GENIVAR GP and GENIVAR Inc.;

"**Shareholder' Approval**" means the approval of the Arrangement by at least two-thirds of the votes cast by the GENIVAR Inc. Shareholders and at least two thirds of the votes cast by GENIFINANCE Shareholders present in person or represented by proxy at the GENIVAR Meeting in accordance with the CBCA;

"**Shareholders Agreement**" means the shareholders' agreement in respect of GENIVAR Inc. and GENIFINANCE dated April 3, 2003, as modified on March 30, 2006 and on May 31, 2007;

"**SIFT**" means a "SIFT trust" or a specified investment flow-through trust, as defined in the Tax Act;

"**SIFT Rules**" has the meaning ascribed to it under "Summary Information – Background to the Arrangement – The SIFT Rules";

"**Special Committee**" means the independent committee of the Board of Fund Trustees and Board of GP Directors, consisting of Pierre Simard and Lawrence Smith;

"**Special Voting Units**" means the units of the Fund issued to represent voting rights in the Fund that accompany the Exchangeable LP Units;

"**Stikeman**" means Stikeman Elliott LLP;

"**STIP**" has the meaning ascribed to it under "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Short-Term Incentive Plan";

"**Subscription and Acquisition Agreement**" means the subscription agreement made as of May 25, 2006, among the Fund, the Trust, GENIVAR LP, GENIVAR GP and GENIVAR Inc.;

"**Subsidiary**" means, with respect to any Person, a subsidiary (as that term is defined in the CBCA (for such purposes, if such person is not a corporation, as if such person were a corporation)) of such Person and includes any limited partnership, joint venture, trust, limited liability company, unlimited liability company or other entity, whether or not having legal status, that would constitute a subsidiary (as described above) if such entity were a corporation;

"**Tax Proposals**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations";

"**TFSA**" has the meaning ascribed to it under "Certain Canadian Federal Income Tax Considerations – Unitholders Resident in Canada – Eligibility for Investment";

"**Transfer Agent**" means CIBC Mellon Trust Company;

"**Transfer Notice**" means a notice in writing to be provided by GENIVAR GP to GENIVAR Inc. at least three (3) Business Days prior to the Effective Date specifying the fair market value of the undivided interest of GENIVAR GP in the shares of GENIVAR Ontario;

"**Trust**" means GENIVAR Operating Trust, an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Québec by the Trust Declaration of Trust;

"**Trust Declaration of Trust**" means the declaration of trust dated March 31, 2006 pursuant to which the Trust was created, as further amended, supplemented or restated from time to time;

"**Trustee**" or "**Trustees**" means the trustees of the Trust or any one of such trustee;

"**Trust Units**" means the trust units of the Trust, each trust unit representing an equal undivided beneficial interest therein;

"**TSX**" means the Toronto Stock Exchange;

"**Units**" means the units of the Fund other than Special Voting Units;

"**Unitholder Approval**" means the approval of the Arrangement Resolution by: (i) at least two-thirds of the votes cast by the Voting Unitholders present in person or represented by proxy at the Meeting, and (ii) a majority of the votes cast by Unitholders who are Disinterested Unitholders present in person or represented by proxy at the Meeting;

"**Unitholders**" means holders from time to time of Units;

"**United States**" or "**U.S.**" means the United States, as defined in Rule 902(l) under Regulation S;

"**Valuation**" means the valuation dated April 15, 2010 prepared by KPMG in accordance with the requirements of MI 61-101 and addressed to the Special Committee a copy of which is attached as Appendix E to this Circular;

"**Vesting Determination Date**" has the meaning ascribed to it under "The Arrangement – Approval of Long-Term Incentive Plan – Specific Terms Related to the RSUs";

"**Voting Units**" means, collectively, the Units and the Special Voting Units; and

"**Voting Unitholders**" means, collectively, the holders from time to time of the Voting Units.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Circular, including the Appendices hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Circular or in the Appendices hereto. Capitalized terms not otherwise defined herein are defined in the "Glossary of Terms". In this summary, all dollar amounts are stated in Canadian dollars.

The Meeting

The Meeting will be held at the McCord Museum (J. Armand Bombardier Hall), situated at 690, Sherbrooke Street West, Montreal, Québec, on May 27, 2010, commencing at 10:00 a.m. for the purposes set forth in the accompanying Notice of Meeting. The business of the Meeting will be:

- (a) to consider and vote upon the Arrangement Resolution;
- (b) provided the Arrangement Resolution is approved, to consider and vote upon the Long-Term Incentive Plan Resolution;
- (c) to receive the Financial Statements;
- (d) to elect the Fund Trustees, the Trustees and GP Directors who will serve until the Effective Date or, if the Arrangement is not completed, until the end of the next annual meeting of Voting Unitholders or until their successors are appointed;
- (e) to appoint the auditors of the Fund; and
- (f) to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

As of the date of this Circular, the Fund Trustees are not aware of any changes to these items, and do not expect any other items to be brought forward at the Meeting. If there are changes or new items, your Proxyholder can vote your Voting Units on these items as he or she sees fit.

The Arrangement

Conversion to a Corporate Structure

If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a public corporation to be named "GENIVAR Inc." and the combination of the GENIVAR Holding Group with GENIVAR. Pursuant to the Arrangement, Unitholders (other than the Dissenting Unitholders) will receive, for each Unit held, one New GENIVAR Share and the GENIVAR Inc. Shareholders will receive, for each GENIVAR Inc. Common Share held immediately prior to the Effective Time (but after the split contemplated in the Arrangement), 0.8929 New GENIVAR Share. As of the date hereof, the GENIVAR Inc. Shareholders hold a 33.35% indirect interest in the Fund and Unitholders hold a 66.65% direct interest in the Fund. On completion of the Arrangement, the GENIVAR Inc. Shareholders are anticipated to own approximately 30.89% of New GENIVAR and the Unitholders are anticipated to own approximately 69.11% of New GENIVAR.

The aggregate ownership percentage of each of the GENIVAR Inc. Shareholders and Unitholders will be adjusted depending on the Adjusted Net Asset Value of the GENIVAR Holding Group as of December 31, 2010. It is not expected that any such adjustment will be material to the ownership percentage of New GENIVAR by Unitholders. A press release will be issued by the Fund on December 31, 2010 setting out the amount of any such adjustment and its impact on the aggregate ownership percentage of New GENIVAR by Unitholders and GENIVAR Inc. Shareholders. See "The Arrangement – Effect of the Arrangement – Conversion to a Corporate Structure" and "The Arrangement – Effect of the Arrangement – Conversion Ratio".

Combination of the GENIVAR Holding Group with GENIVAR

If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a public corporation to be named "GENIVAR Inc." and the combination of the GENIVAR Holding Group with GENIVAR.

The GENIVAR Holding Group is a holding structure through which, as at April 15, 2010, its 460 shareholders, all of which are employees of GENIVAR, hold a 33.35% indirect interest in the Fund. The GENIVAR Holding Group does not carry on any business or activities and except for its interest in GENIVAR, does not have material assets or liabilities. See "Information Concerning the GENIVAR Holding Group".

The pro forma financial statements of the Fund, giving effect to the Arrangement, including the combination of the GENIVAR Holding Group and GENIVAR, are included at Appendix F to the Circular.

Conversion Ratio

In all circumstances, Unitholders (other than the Dissenting Unitholders) will receive one New GENIVAR Common Share for each Unit held.

Pursuant to the Arrangement, the GENIVAR Inc. Shareholders will receive, for each GENIVAR Inc. Common Share held immediately prior to the Effective Time (but after the split contemplated in the Arrangement), 0.8929 New GENIVAR Share (as adjusted).

The GENIVAR Share Conversion Ratio has been calculated on April 15, 2010 based on the following formula:

$$\frac{A - (\text{nominal Adjusted Net Asset Value calculated on April 15, 2010 divided by B})}{A}$$

where:

(i) A is equal to 9,060,387 which represents the number of Exchangeable LP Units held by GENIVAR Inc. in the Fund and the number of GENIVAR Inc. Common Shares that will be outstanding as of Effective Date further to a split or consolidation of the GENIVAR Inc. Common Shares in accordance with the terms of the Plan of Arrangement (see step (e) under "The Arrangement – Arrangement Steps"); (ii) the Adjusted Net Asset Value calculated on April 15, 2010 is equal to negative \$27,500,000, which represents the mid-point of the range of the Adjusted Net Asset Value of the GENIVAR Holding Group determined by KPMG in the Valuation; and (iii) B is equal to \$28.34, which represents the weighted average price of the Units for the ten trading-day period prior to the announcement of the Arrangement on April 15, 2010.

On December 31, 2010, KPMG will provide the Special Committee and GENIVAR Inc. with a statement of the Adjusted Net Asset Value of the GENIVAR Holding Group as of December 31, 2010. The statement will be prepared in accordance with the same procedures and assumptions applied in the Valuation dated April 15, 2010. In the event that the mid-point of the range of the Adjusted Net Asset Value calculated as of December 31, 2010 is above or below negative \$27,500,000, the GENIVAR Share Conversion Ratio will be recalculated as follows:

$$\frac{A - (\text{nominal Adjusted Net Asset Value calculated as of December 31, 2010 divided by B})}{A}$$

where (i) A and B have the same values as indicated above and (ii) the Adjusted Net Asset Value calculated as of December 31, 2010 is equal to the mid-point of the range of the Adjusted Net Asset Value of the GENIVAR Holding Group determined by KPMG on December 31, 2010.

Any adjustment to the GENIVAR Share Conversion Ratio as contemplated above will be announced by the Fund by way of press release on December 31, 2010.

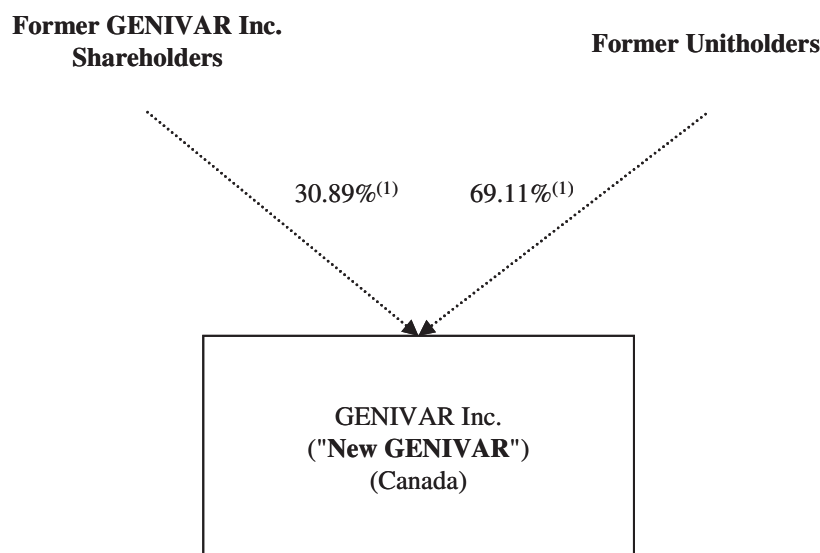
The following table shows the variation to ownership of New GENIVAR in the event of certain Adjusted Net Asset Value variations.

Adjusted Net Asset Value Variation (in millions of \$)	Aggregate Unitholder Ownership	Aggregate GENIVAR Inc. Shareholder Ownership
+14.5	67.79%	32.21%
+10	68.20%	31.80%
+5	68.65%	31.35%
Current	69.11%	30.89%
-5	69.58%	30.42%
-10	70.06%	29.94%
-14.5	70.49%	29.51%

See "The Arrangement – Effect of the Arrangement – Conversion Ratio".

Post-Arrangement Structure

On completion of the Arrangement, the GENIVAR Inc. Shareholders are anticipated to own approximately 30.89% of New GENIVAR and the Unitholders are anticipated to own approximately 69.11% of New GENIVAR (assuming there is no adjustment to the GENIVAR Share Conversion Ratio). The Fund and the Trust will be liquidated in accordance with the Fund Declaration of Trust and the Trust Declaration of Trust. GENIVAR LP and GENIVAR Consultants LP will be liquidated and dissolved in accordance with their respective constating documents. GENIVAR GP and GENIVAR Ontario will amalgamate with GENIVAR Inc. to form New GENIVAR. The following diagram illustrates the organizational structure of New GENIVAR immediately following the completion of the Arrangement.



(1) Assuming there is no adjustment to the GENIVAR Share Conversion Ratio.

Upon the completion of the Arrangement, an aggregate of approximately 26,193,609 New GENIVAR Shares will be issued and outstanding (assuming there is no adjustment to the GENIVAR Share Conversion Ratio).

See "The Arrangement" and "Information Concerning New GENIVAR".

Effect on Distributions

Provided the Arrangement is approved at the Meeting, Unitholders are expected to receive their regular monthly cash distribution of \$0.125 per Unit, subject to additional special distributions as determined by the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors until the Effective Time of the Arrangement. The last distribution payment is expected to be made on January 17, 2011 to holders of record on December 31, 2010. In the event that the Arrangement is not approved at the Meeting, the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors are expected to continue to provide regular monthly cash distribution until the end of December 2010 as they did in the past and will meet at the end of fiscal year 2010 to consider the Fund's distribution policy for fiscal year 2011.

If the Arrangement is approved by Unitholders at the Meeting and the Effective Date occurs on or about January 1, 2011, as currently scheduled, it is anticipated that New GENIVAR will implement a dividend policy that will enable New GENIVAR to pay regular dividends whereby it will initially pay a quarterly dividend of \$0.375 (\$1.50 per annum) per New GENIVAR Share. Provided the Arrangement is approved by Unitholders at the Meeting, the first quarterly dividend is anticipated to be declared in respect of the quarter ended March 31, 2011 and paid on or about April 15, 2011. See "The Arrangement - Effect of the Arrangement - Effect on Distributions".

Any decisions to pay dividends on the New GENIVAR Shares will be made by the board of directors of New GENIVAR based on, among other things, New GENIVAR's earnings, financial requirements for New GENIVAR's operations, the satisfaction of applicable solvency tests for the declaration and payment of dividends and other conditions existing from time to time. As such, the board of directors of New GENIVAR will have the entire discretion to modify the dividend policy from time to time. **As a result, no assurance can be given as to whether New GENIVAR will pay dividends, or the frequency or amount of any such dividend.** See "Risk Factors".

Pro Forma Financial Statements

The pro forma financial statements of the Fund, giving effect to the reorganization of the Fund's income trust structure into a public corporation and the combination of the GENIVAR Holding Group with GENIVAR are included at Appendix F of the Circular.

Background to the Arrangement

The SIFT Rules

On October 31, 2006, the Minister announced that changes would be made to the tax treatment of SIFT trusts (the "**SIFT Rules**"). Now enacted, the SIFT Rules impose a tax at the trust level on distributions of certain income from, among other entities, publicly traded mutual fund trusts at a rate of tax comparable to the combined federal and provincial corporate tax rate and treat such distributions as dividends to unitholders. Trusts that were publicly traded at the time of the announcement of the SIFT Rules have a four year transition period and generally would not be subject to the new rules until 2011, provided such trusts experienced only "normal growth" and no "undue expansion" before then.

The SIFT Rules will subject the Fund to trust level taxation as of January 1, 2011. There can be no assurance that the Fund will be able to retain the benefit of the deferred application of the SIFT Rules until 2011 or until the date of the Arrangement, whichever is earlier.

On November 28, 2008, the Minister released a notice of ways and means motion including specific proposed rules initially contained in a draft legislation of July 14, 2008 (the "**Conversion Rules**") allowing publicly traded mutual fund trusts to convert into taxable Canadian corporations without any undue tax consequences to the trust or its unitholders. On February 2, 2009, as a result of the prorogation of Parliament on December 4, 2008, the Minister reintroduced the Conversion Rules in a notice of ways and means motion. The Conversion Rules were enacted in Bill C-10 which received Royal Assent on March 12, 2009. It is the intention of the Fund to take advantage of such Conversion Rules.

Strategic Analysis of the Fund Structure

The Board of Fund Trustees, the Board of Trustees, the Board of GP Directors and Management continuously review the Fund's strategic objectives and all options available to it in respect thereof to ensure that the Fund's capital structure is efficient and that Unitholder value is being maximized.

At the end of the fiscal year 2009, Management updated the Board of Fund Trustees with respect to the potential impact and significance of the SIFT Rules to the Fund, including the impact upon the Fund's growth strategy. The discussion on the SIFT Rules has led the Board of Fund Trustees to carry out a more detailed analysis concerning the strategic direction for the Fund and regarding a broad range of strategic alternatives offered to it. As a result of this analysis, it was determined that, following the federal government's decision to effectively eliminate the income trust structure (and its related tax benefits) and the willingness of the Board of Fund Trustees and the board of directors of GENIVAR Inc. to simplify and consolidate the operating entities of GENIVAR, it is in the best interest of GENIVAR to convert from an income tax structure to a corporate structure effective on January 1, 2011.

Strategic Analysis of the GENIVAR Holding Group Structure

As part of the review of the Fund's strategic direction, the Board of Fund Trustees, the board of directors of GENIVAR Inc. and Management also carried out a detailed analysis of the corporate and share capital structure of the GENIVAR Holding Group. Such analysis included a review of the viability of such capital structure in the future given the lack of liquidity for GENIVAR Inc. Shareholders and the costs for the GENIVAR Holding Group associated with the repurchase of GENIVAR Inc. Common Shares. It was also determined that, given the acquisitions track record of the Fund and its strategic plan going forward, it was in the best interest of the Fund to simplify the GENIVAR Holding Group's structure. As a result of this analysis, it was determined by the board of directors of GENIVAR Inc. and the Board of Fund Trustees that, as part of the reorganization of the Fund into a corporate structure, it is in the best interest of the GENIVAR Holding Group, the GENIVAR Inc. Shareholders, the Fund and Unitholders (other than the Excluded Unitholders) to combine the GENIVAR Holding Group with GENIVAR.

Recommendation

The potential reorganization of the Fund's income trust structure to a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR was initially discussed with the Fund Trustees, the Trustees and GP Directors at joint meetings of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors held on May 12, 2009. Following such board meeting, a subcommittee of the board was formed consisting of two independent members of the Board of Fund Trustees, Pierre Simard and Lawrence Smith. The mandate of the Special Committee was to consider strategic alternatives for the conversion to a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR.

Advisors

On December 4, 2009, the Fund retained the services of PCI – Perrault Consulting Inc. ("**PCI**") to provide advice relating to executive compensation and compensation programs design of New GENIVAR following completion of the Arrangement.

In connection with its mandate, the Special Committee was authorized to retain independent financial advisors to conduct an in depth analysis of the Arrangement. To assist the Special Committee, Blair Franklin was formally engaged pursuant to an engagement agreement dated December 7, 2009, as financial and strategic advisor to the Special Committee in connection with the possible reorganization of the Fund's income trust structure into a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR and to prepare the fairness opinion to be delivered to the Special Committee and the Board of Fund Trustees.

On December 7, 2009, the Fund retained BMO Nesbitt Burns ("**BMO**") as financial and strategic advisor to provide strategic advices and guidelines to the Fund in respect of the potential reorganization of the Fund's income trust structure to a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR. BMO has received or will receive fees from the Fund for services rendered.

On December 7, 2009, Stikeman Elliott LLP ("**Stikeman**") was retained to serve as legal counsel to the Fund and on December 7, 2009, Joli-Coeur Lacasse S.E.N.C.R.L. ("**Joli-Coeur**") was retained to serve as legal counsel to GENIVAR Inc.

On January 26, 2010, the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors retained Ernst & Young LLP ("**E&Y**") as tax advisor to the Fund. E&Y also acts as tax advisor to the GENIVAR Holding Group.

The Arrangement is a "business combination" for the Fund as defined in MI 61-101 due to the fact that GENIVAR Inc., a "related party" to the Fund (as defined in MI 61-101) will, as a consequence of the Arrangement, combine with GENIVAR. Generally, MI 61-101 requires a reporting issuer engaged in a business combination to (i) obtain a valuation of the subject matter of the proposed transaction; and (ii) obtain the approval of the reporting issuer's "minority shareholders" (as that term is defined in MI 61-101). In accordance with MI 61-101, the Special Committee retained an independent valuator to prepare a valuation valuing the Units of the Fund and the consideration to be received by the Unitholders and the GENIVAR Inc. Shareholders pursuant to the Arrangement. In this regard, the Special Committee retained KPMG pursuant to an engagement letter dated March 15, 2010 to prepare such valuation (the "**Engagement Letter**").

Review Process

The Special Committee met formally on five (5) occasions over the course of its mandate, and conducted informal consultations among its members and with its financial, tax and legal advisors, as well as with Management on numerous other occasions. Below is a description of some of the meetings and consultations of the Special Committee during its review process and of some of the meetings and discussions that took place prior to the announcement of the Arrangement.

On January 14, 2010, the respective managements of GENIVAR and GENIVAR Inc. met with BMO, Stikeman and E&Y, to evaluate a proposed Arrangement and review potential strategic alternatives.

On February 22, 2010, BMO presented its analysis on the reorganization of the Fund into a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR and provided the Special Committee with a brief description of some of the financial implications of such Arrangement.

On March 12, 2010, the chairman of the Special Committee met with BMO to further discuss some of the financial implications of the Arrangement. On March 12, 2010, the chairman of the Special Committee met with KPMG to discuss the structure of the Arrangement and the subject matter of the valuation to be prepared by KPMG.

On March 25, 2010, GENIVAR Inc. and its counsel, Joli-Coeur and Stikeman discussed some of the contractual terms of the Arrangement.

On March 26, 2010, the Special Committee met with Stikeman, KPMG and Blair Franklin. Stikeman presented a preliminary report and KPMG and Blair Franklin provided the Special Committee with an update on the Valuation and Fairness Opinion, respectively. Some of the terms and conditions of the Arrangement were also discussed.

During a conference call held on March 30, 2010, several matters were discussed between the chairman of the Special Committee and Stikeman including (i) the process for approval of the Arrangement, (ii) the report of the Special Committee, (iii) the Lock-Up Agreements, (iv) the supporting documentation in respect of the Arrangement, and (v) the financial terms of the Arrangement.

On April 1, 2010, the Special Committee met with Stikeman to discuss the dividend policy anticipated to be adopted by New GENIVAR following completion of the Arrangement and to review the terms of the Arrangement Agreement. Following such meeting, a conference call was held with Blair Franklin and Stikeman to further discuss some of the terms of the Arrangement Agreement.

During a conference call held on April 7, 2010, the chairman of the Special Committee discussed some of the legal aspects of the conversion with GENIVAR Inc. and Joli-Coeur. During such discussions, certain terms of the

Arrangement Agreement were agreed upon including the indemnification obligations of GENIVAR Inc. under the Arrangement Agreement.

On April 14, 2010, the independent members of the Board held an *in camera session* during which Stikeman made a presentation on the terms of the Arrangement and the members of the Board asked questions and discussed various matters related to the Arrangement.

On April 15, 2010, the Special Committee held a meeting during which it approved the terms of the Arrangement and resolved to recommend the approval of the Arrangement by the Board of Fund Trustees.

Recommendation

After duly considering the financial and legal aspects and other considerations relating to the proposed transaction, including the terms of the proposed Arrangement, the Fund Trustees' duties and responsibilities to Unitholders, and the Fairness Opinion delivered by Blair Franklin and the Valuation delivered by KPMG, the Special Committee unanimously recommended, on April 15, 2010, that the Board of Fund Trustees authorizes and approves the proposed transaction providing for the reorganization of the Fund's income trust structure into a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR, and that the Fund Trustees recommends that the Unitholders (other than the Excluded Unitholders) vote their Units in favour of the Arrangement.

The Board of Fund Trustees then unanimously determined (with interested trustees abstaining) that the Arrangement is in the best interest of the Fund and the Unitholders and is fair to the Unitholders (other than the Excluded Unitholders) and authorized and approved the proposed transaction providing for the reorganization of the Fund's income trust structure into a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR, and resolved to recommend that the Unitholders (other than the Excluded Unitholders) vote in favour of the Arrangement. In reaching its conclusions and formulating its recommendation, the Board of Fund Trustees considered a number of factors, including, but not limited to, the following considerations and anticipated benefits of the Arrangement:

- (a) the Arrangement will (i) simplify the business structure and provide a structure similar to other publicly traded industry participants, (ii) simplify the structure for future acquisitions, and (iii) provide for a straightforward corporate structure for the negotiation of operational contracts;
- (b) the Arrangement will lead to a simplified capital structure;
- (c) the Securityholders' Agreement will be terminated and, accordingly, there will no longer exist any right of the GENIVAR Holding Group to appoint members to the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors;
- (d) the federal government's decision to effectively eliminate the benefits of the income trust structure;
- (e) New GENIVAR will implement a dividend policy which is expected to provide an attractive return to New GENIVAR Shareholders;
- (f) New GENIVAR will be managed by the same experienced team of professionals that have demonstrated their ability to efficiently manage the operations of GENIVAR and to deliver on development and acquisition opportunities;
- (g) the exchange of Units for New GENIVAR Shares pursuant to the Arrangement will be completed on a tax-free "rollover" basis for Canadian federal tax purposes;
- (h) the GENIVAR Inc. Shareholders are expected to enter into Lock-Up Agreements with New GENIVAR;
- (i) the Arrangement must receive the appropriate Unitholder Approval and Shareholder Approval and approval from the Court in order to become effective; and

- (j) the Fairness Opinion was delivered to the Board of Fund Trustees and the Special Committee and the Valuation was delivered to the Special Committee.

Fairness Opinion

The Special Committee retained Blair Franklin to address the fairness, from a financial point of view, of the consideration to be received by Unitholders (other than the Excluded Unitholders) pursuant to the Arrangement. In connection with this mandate, Blair Franklin provided the Fairness Opinion to the Special Committee and the Board of Fund Trustees. The Fairness Opinion states that, on the basis of the particular assumptions and considerations summarized therein, in the opinion of Blair Franklin, as of April 15, 2010 the consideration to be offered to the Unitholders pursuant to the Arrangement is fair, from a financial point of view, to Unitholders (other than the Excluded Unitholders). The Fairness Opinion was one factor, among others, that the Special Committee considered in assessing the Arrangement and making its recommendation to the Board of Fund Trustees. The Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. See "Background to and Reasons for the Arrangement – Fairness Opinion" and "Appendix D".

Valuation

The Special Committee retained KPMG to provide advice and assistance to the Special Committee in connection with the Arrangement and to prepare a formal valuation of the Units of the Fund and the consideration to be received by the Unitholders and the GENIVAR Inc. Shareholders pursuant to the Arrangement in accordance with the requirements of MI 61-101. The Valuation was one factor, among others, that the Special Committee considered in assessing the Arrangement and making its recommendations to the Board of Fund Trustees.

In the Valuation, KPMG determined that, as of April 15, 2010, the fair market value of all of the Units (on a fully-diluted basis) is in the range of \$760,600,000 to \$781,000,000, which represents a value per Unit of \$28.00 to \$28.75, and that as of April 15, 2010, the pro forma fair market value of the New GENIVAR Shares after giving effect to the Arrangement viewed "en bloc" is in the range of \$732,800,000 to \$753,800,000, which, based on the number of New GENIVAR Shares expected to be issued on the Effective Date, represents a value per New GENIVAR Share of \$27.98 to \$28.78.

The Valuation is subject to the assumptions and limitations contained therein and should be read in its entirety. See "Background to and Reasons for the Arrangement – Valuation" and "Appendix E".

Approval and Recommendation of the Board of Fund Trustees

The Board of Fund Trustees has unanimously determined that the Arrangement is fair, from a financial point of view, to Unitholders (other than the Excluded Unitholders) and is in the best interests of the Fund and its Unitholders, and recommended that Unitholders (other than the Excluded Unitholders) vote in favour of the Arrangement Resolution. In making its recommendation, the Board of Fund Trustees considered a number of factors, which are described under "Background to and Reasons for the Arrangement – Recommendation – Recommendation".

As at April 15, 2010, the Fund Trustees, the Trustees and the directors and officers of GENIVAR GP and GENIVAR LP and their associates beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 22,679 Units, representing approximately 0.125% of the outstanding Units. As at April 15, 2010, GENIVAR Inc. holds directly or indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Special Voting Units, which represent 100% of the then currently outstanding Special Voting Units and 33.35% of the votes attached to all outstanding Units and Special Voting Units. GENIVAR Inc. and each of the members of the Board of Fund Trustees, of the Board of Trustees, of the Board of GP Directors and each of the executive officers of GENIVAR LP, have indicated that they intend to vote all of their Voting Units (if any), in favour of the Arrangement Resolution.

Procedure for Exchange of Units

As the Units trade in the "book entry" system and no certificates are issued to non-registered holders, no certificates for the New GENIVAR Shares will be issued to beneficial holders following the completion of the Arrangement. Beneficial holders of Units do not need to take any action to receive New GENIVAR Shares. On or about the Effective Date, the Fund will deliver to CDS a certificate evidencing the aggregate number of New GENIVAR Shares issued to former Unitholders in connection with the Arrangement. Following the completion of the Arrangement, the New GENIVAR Shares will continue to trade in the "book entry" system and no certificates will be issued to non-registered holders of New GENIVAR Shares, subject only to statutory rights to be issued certificates provided under the CBCA. See "The Arrangement - Procedure for Exchange of Units".

Approval of Unitholders Required for the Arrangement

The resolution approving the Arrangement and related matters (the "**Arrangement Resolution**") must be approved by not less than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the aggregate votes cast by the Voting Unitholders, either in person or by proxy, at the Meeting. In addition, a simple majority of the votes cast at the Meeting, in person or by proxy, by Unitholders who are Disinterested Unitholders is also required by MI 61-101.

If you do not specify how you want your Voting Units voted, the persons named as Proxyholders will cast the votes represented by proxy at the Meeting FOR the approval of the Arrangement Resolution.

Final Order

Implementation of the Arrangement requires the satisfaction of several conditions and the approval of the Court. See "The Arrangement - Procedure for the Arrangement Becoming Effective". An application for the Final Order approving the Arrangement is scheduled on June 14, at the Court, 1 Notre-Dame Street East, Montreal, Québec or such later date as the application for the Final Order may be adjourned to. On the application, the Court will consider the fairness of the Arrangement. If the Final Order is obtained on June 14, 2010 in form and substance satisfactory to GENIVAR and the GENIVAR Holding Group, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date to be on or about January 1, 2011.

Conditions Precedent to the Arrangement

The respective obligations of GENIVAR and the GENIVAR Holding Group to consummate the transactions contemplated by the Arrangement Agreement are subject to the satisfaction, on or before the Effective Date, of a number of conditions. **Any of such conditions may be waived by the party to the benefit of which such condition is stipulated without the consent of the Court, the Unitholders, the GENIVAR Inc. Shareholders or the GENIFINANCE Shareholders.**

Mutual Conditions Precedent

The respective obligations of GENIVAR and the GENIVAR Holding Group to consummate the transactions contemplated by the Arrangement Agreement are subject to the satisfaction, on or before the Effective Date, of a number of conditions, any of which may be waived by the mutual consent of such parties without prejudice to their right to rely on any other of such conditions. These conditions include, without limitation:

- (a) the Arrangement and the transactions contemplated by the Arrangement Agreement shall have received Unitholder Approval in accordance with the provisions of the Interim Order and any applicable regulatory requirements;
- (b) the Arrangement and the transactions contemplated by the Arrangement Agreement shall have received Shareholder Approval in accordance with the provisions of the Interim Order and any applicable regulatory requirements;
- (c) the Final Order shall have been granted in form and on terms satisfactory to GENIVAR and the GENIVAR Holding Group, acting reasonably, not later than June 30, 2010 or such later date as

the parties to the Arrangement Agreement may agree and shall not have been set aside or modified in a manner unacceptable to such parties, acting reasonably, on appeal or otherwise;

- (d) the New GENIVAR Shares issuable pursuant to the Arrangement shall be issued pursuant to exemptions from the registration and prospectus requirements of applicable Canadian securities laws, and the TSX shall have approved the substitutional listing and posting for trading of the New GENIVAR Shares, subject only to the filing of required documents which cannot be filed prior to the Effective Date;
- (e) there shall not be Unitholders that hold, in aggregate, in excess of 2% of all issued and outstanding Units, immediately prior to the Effective Time, that have validly exercised their rights of dissent under the Interim Order and not withdrawn such exercise; and
- (f) the Arrangement Agreement shall not have been terminated in accordance with its terms.

Additional Conditions to the Obligations of GENIVAR

The obligation of GENIVAR to complete the Arrangement pursuant to the Arrangement Agreement is subject to the satisfaction of, or compliance with, at or prior to the Effective Time, some additional conditions including, without limitation, the following:

- (a) the representations and warranties of the GENIVAR Holding Group made in or pursuant to the Arrangement Agreement shall be true in all material respects (provided that those representations which are subject to qualifications or limitations as to materiality or material adverse effect or material adverse change shall be true in all respects) at the Effective Time with the same force and effect as if made at and as of the Effective Time;
- (b) each of the covenants, acts and undertakings of the GENIVAR Holding Group to be performed or complied with on or before the Effective Date pursuant to the terms of the Arrangement Agreement and the Arrangement shall have been duly performed or complied with in all material respects; and
- (c) prior to the Effective Date, there shall have been no material adverse change in the affairs, operations, financial condition or business of the GENIVAR Holding Group, taken as a whole, from that reflected in the GENIVAR Financial Statements and the GENIFINANCE Financial Statements.

Additional Conditions to the Obligations of the GENIVAR Holding Group

The obligation of the GENIVAR Holding Group to complete the Arrangement pursuant to the Arrangement Agreement is subject to the satisfaction of, or compliance with, at or prior to the Effective Time, some additional conditions including, without limitation, the following:

- (a) the representations and warranties of the Fund made in or pursuant to the Arrangement Agreement shall be true in all material respects (provided that those representations which are subject to qualifications or limitations as to materiality or material adverse effect or material adverse change shall be true in all respects) at the Effective Time with the same force and effect as if made at and as of the Effective Time;
- (b) each of the covenants, acts and undertakings of GENIVAR to be performed or complied with on or before the Effective Date pursuant to the terms of the Arrangement Agreement and the Arrangement shall have been duly performed or complied with in all material respects; and
- (c) prior to the Effective Date, there shall have been no material adverse change in the affairs, operations, financial condition or business of GENIVAR, taken as a whole, from that reflected in this Circular (including the documents incorporated by reference herein).

See "The Arrangement – Procedure for the Arrangement Becoming Effective – Conditions Precedent to the Arrangement".

Lock-Up Agreements

As a condition to the obligation of the Fund to complete the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement, all of the GENIVAR Inc. Shareholders shall have entered, on or before the Effective Date, into lock-up agreements with GENIVAR Inc., the Fund and New GENIVAR (the "**Lock-Up Agreements**"). Pursuant to the Lock-Up Agreements, each of the GENIVAR Inc. Shareholders will, among other things, agree not to sell, transfer, or otherwise dispose of the New GENIVAR Shares, to be received pursuant to the Arrangement, directly or indirectly, for a certain period depending of the number of GENIVAR Inc. Common Shares held by such GENIVAR Inc. Shareholder. For holders having more than 20,000 GENIVAR Inc. Common Shares as of the Effective Date and all executive officers of GENIVAR, the lock-up period shall be as follows:

- (d) nine (9) months from the Effective Date in respect of two thirds ($\frac{2}{3}$) of such holder's New GENIVAR Shares, and
- (e) eighteen (18) months from the Effective Date in respect one third ($\frac{1}{3}$) of such holder's New GENIVAR Shares.

As of April 15, 2010, it is expected that approximately 65 GENIVAR Inc. Shareholders will enter into Lock-Up Agreements for a period of eighteen (18) months.

All of the remaining GENIVAR Inc. Shareholders will be subject to the following lock-up period:

- (a) four and a half ($4\frac{1}{2}$) months from the Effective Date in respect of two thirds ($\frac{2}{3}$) of such holder's New GENIVAR Shares, and
- (b) nine (9) months from the Effective Date in respect one third ($\frac{1}{3}$) of such holder's New GENIVAR Shares.

The restrictions on transfers set forth in the Lock-Up Agreements are subject to customary exceptions, including, the execution of a pledge or security interest in connection with a bona fide loan of the GENIVAR Inc. Shareholder, a take-over bid, merger, plan of arrangement or similar transaction made to all holders of New GENIVAR Shares and the death or incapacity of the GENIVAR Inc. Shareholder.

Long-Term Incentive Plan

Provided the Arrangement Resolution is approved, Voting Unitholders will be asked to consider and, if deemed advisable, to approve at the Meeting the adoption by New GENIVAR of the Long-Term Incentive Plan and pass, with or without variation, the Long-Term Incentive Plan Resolution, a copy of which is attached as Appendix H to this Circular. To be effective, the Long-Term Incentive Plan must be approved by a majority of the votes cast by the Voting Unitholders voting in person or by proxy at the Meeting. The Long-Term Incentive Plan must also be approved by a majority of the votes cast by GENIVAR Inc. Shareholders voting in person or by proxy at the GENIVAR Meeting. See "The Arrangement - Approval of Long-Term Incentive Plan".

If you do not specify how you want your Voting Units voted, the Named Proxyholders or the other persons named as Proxyholders will cast the votes represented by proxy at the Meeting FOR the Long-Term Incentive Plan Resolution.

Right to Dissent

Pursuant to the Interim Order and the Plan of Arrangement, Unitholders have the right to dissent with respect to the Arrangement Resolution, as though the Units were shares of a corporation governed by the CBCA, by providing a written objection to the Arrangement Resolution to the Fund at 1600 René-Lévesque Blvd. West, 16th Floor, Montreal, Québec, Canada, H3H 1P9, Attention: Corporate Secretary, by 5:00 p.m. on the last Business Day

immediately preceding the date of the Meeting, provided such holder also complies with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. **It is important that Unitholders strictly comply with this requirement and understand that it is different from the statutory dissent provisions of the CBCA which would permit a written objection to be provided at or prior to the Meeting.** Provided the Arrangement becomes effective, each Dissenting Unitholder will be entitled to be paid by the Fund the fair value of the Units held by such Dissenting Unitholder determined as of the close of business on the last Business Day before the Arrangement Resolution is adopted. See Appendix B and Appendix G for a copy of the Interim Order and the provisions of Section 190 of the CBCA, respectively.

It is recommended that any Unitholder wishing to avail himself or herself of his or her Dissent Rights seek legal advice, as the provisions covering the right to dissent are technical and complex. **Failure to strictly comply with the requirements set forth in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss or unavailability of any Dissent Rights. Persons who are beneficial owners of Units registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent, should be aware that only registered holders are entitled to dissent.** Accordingly, a beneficial owner of Units desiring to exercise Dissent Rights must make arrangements for such Units beneficially owned to be registered in such holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by the Fund or, alternatively, make arrangements for the registered holder of such Units to dissent on such holder's behalf. Pursuant to the Interim Order, a Unitholder may not exercise Dissent Rights in respect of only a portion of such holder's Unit. See "The Arrangement – Right to Dissent".

It is a condition to the Arrangement that Unitholders holding not more than 2% of the Units shall have exercised Dissent Rights in relation to the Arrangement that have not been withdrawn as at the Effective Date. See "The Arrangement – Right to Dissent".

Stock Exchange Listing

The TSX has conditionally approved the substitutional listing of the New GENIVAR Shares issuable pursuant to the Arrangement to trade on the TSX under the symbol "GNV" after the Effective Date, subject to fulfilling the requirements of such exchange as soon as possible after the Effective Time. See "The Arrangement - Stock Exchange Listing".

Certain Canadian Federal Income Tax Considerations

A Resident Unitholder (other than a Dissenting Unitholder) who disposes of Units in exchange for New GENIVAR Shares pursuant to the Arrangement, will be deemed to have disposed of each Unit for proceeds of disposition equal to the "cost amount" (as defined in the Tax Act) of such Unit to the Unitholder immediately before the disposition and to have acquired each New GENIVAR Share received on the exchange at a cost equal to the cost amount to the Unitholder of the particular Unit so exchanged. As a consequence, Unitholders should not realize a capital gain or capital loss on the disposition of their Units to New GENIVAR in exchange for New GENIVAR Shares. The cost amount of a Unit immediately before the disposition will generally be equal to the adjusted cost base (as defined in the Tax Act) of the Units to the Unitholders.

A Non-Resident Unitholder who exchanges Units for New GENIVAR Shares on a one for one basis will generally not be subject to tax under the Tax Act on such exchange.

This Circular contains a summary of the principal Canadian federal income tax considerations relevant to Residents and Non-Residents and which relate to the Arrangement and the above comments are qualified in their entirety by reference to such summary. Unitholders should read carefully the section below entitled "Certain Canadian Federal Income Tax Considerations" and should consult their own tax advisors regarding the tax considerations applicable to them in their particular circumstances.

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than Canadian federal income tax considerations. Unitholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning New GENIVAR Shares after the Arrangement. Unitholders should also consult their own tax advisors regarding Canadian federal, provincial, territorial and local tax considerations applicable to the Arrangement or the holding of New GENIVAR Shares.

Information Concerning New GENIVAR

New GENIVAR will be a corporation amalgamated under the CBCA and will be the resulting entity of the amalgamation of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario pursuant to the Plan of Arrangement. The principal and head office of New GENIVAR will be located at 1600 René-Lévesque Blvd. West, 16th Floor, Montreal, Québec, Canada, H3H 1P9.

On the Effective Date, New GENIVAR will become a reporting issuer in all Canadian provinces and territories and will become subject to the informational reporting requirements under the securities laws of such jurisdictions as a result of the Arrangement.

In the event the Arrangement is completed, New GENIVAR intends to pursue the Fund's strategic vision and mission. Accordingly, New GENIVAR's growth strategy, both organic and from acquisitions, will be focused around the following five main initiatives: (i) full-service offering providing clients with optimal and cost-effective solutions; (ii) enhancing relationships with existing clients; (iii) pursuing selective acquisitions; (iv) focusing on successfully integrating acquired businesses and (v) continuing international development.

GENIVAR believes New GENIVAR will possess the following competitive strengths following completion of the Arrangement: (i) recurring revenue from a full-service offering to a stable, diversified and well-established client base, (ii) sustained growth and track record of successful acquisitions and integrations and (iii) talented and experienced workforce with a solid reputation.

See "Information Concerning New GENIVAR".

Annual Business of the Meeting

Election of the Fund Trustees, Trustees and GP Directors

Five Fund Trustees, five Trustees and five GP Directors are to be elected to the Board of Fund Trustees, Board of Trustees and Board of GP Directors, respectively. See "Annual Business of the Meeting – The Nominee Fund Trustees, Trustees and GP Directors". Fund Trustees, Trustees and GP Directors elected at the Meeting will serve until the Effective Date or, if the Arrangement is not completed, until the next annual meeting of Voting Unitholders or until their successors are appointed.

If you do not specify how you want your Voting Units voted, the Named Proxyholders or the other persons named as Proxyholders in the enclosed proxy will cast the votes represented by proxy at the Meeting FOR the election of the nominee Fund Trustees, the nominee Trustees and the nominee GP Directors who are named in this Circular.

Appointment of Auditors

The Board of Trustees, on the advice of the Audit Committee, recommends that PricewaterhouseCoopers LLP, Chartered Accountants, be reappointed as auditors of the Fund. PricewaterhouseCoopers LLP has served as auditors of the Fund since its inception on May 16, 2006. The auditors appointed at the Meeting will serve until the end of the next annual meeting of Voting Unitholders or until their successors are appointed. See "Annual Business of the Meeting – Annual Business – Appointment of Auditors".

If you do not specify how you want your Voting Units voted, the Named Proxyholders or the other persons named as Proxyholders in the enclosed proxy will cast the votes represented by proxy at the Meeting FOR the appointment of PricewaterhouseCoopers LLP as auditor.

GENERAL PROXY MATTERS

Your proxy is solicited by or on behalf of the Fund Trustees for use at the Meeting. In addition to solicitation by mail, employees or agents may solicit proxies by telephone or by other means. The cost of any such solicitation will be borne by GENIVAR LP. GENIVAR LP may also reimburse brokers and other persons holding shares in their names or in the names of nominees, for their costs incurred in sending proxy materials to beneficial owners and obtaining their proxies or voting instructions.

Your vote is important

As a Voting Unitholder, it is very important that you read the following information on how to vote your Voting Units and then vote your Voting Units, either by proxy or in person at the Meeting.

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

By choosing to send this Circular directly to registered Voting Unitholders and certain non-registered Voting Unitholders, the Fund or its agent (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering this Circular to you, and (ii) executing your proper voting instructions. Please return your proxy as specified in this Circular and in the form of proxy.

Voting

You can attend the Meeting or you can appoint someone else to vote for you as your proxyholder. A Voting Unitholder entitled to vote at the Meeting may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who are not required to be Voting Unitholders, to attend and act at the Meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. Voting by proxy means that you are giving the person named on your form of proxy (the "**Proxyholder**") the authority to vote your Voting Units for you in accordance with your instructions at the Meeting or any adjournment thereof.

The persons who are named on the form of proxy are Fund Trustees ("**Named Proxyholders**") and will vote your Units for you in accordance with your instructions. **You have the right to appoint someone else to be your Proxyholder.** If you appoint someone else, he or she must attend the Meeting to vote your Voting Units.

You may appoint a maximum of five (5) Proxyholders to act singly, jointly, unanimously, in succession or in the alternative.

How to vote – registered Voting Unitholders

You are a registered Voting Unitholder if your name appears on your Voting Unit certificate.

If you are not sure whether you are a registered Voting Unitholder, please contact CIBC Mellon at 1-800-387-0825.

By proxy

Complete your form of proxy and return it in the envelope we have provided or by delivery to one of CIBC Mellon's principal offices in Halifax, Montreal, Toronto, Calgary or Vancouver **for receipt before 5:00 p.m. (Montreal time) on May 25, 2010 or with the Secretary of the Meeting prior to commencement of the Meeting on the day of the Meeting or on the day of any adjournment or postponement thereof.** A list of addresses for the principal Corporate Trust Offices of CIBC Mellon is set forth at the end of this Circular.

If you return your proxy by mail, you can appoint a person other than the Named Proxyholders as your Proxyholder. This person does not have to be a Voting Unitholder. Fill in the name of the person you are appointing in the blank space provided on the form of proxy. Complete your voting instructions, and date and sign the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.

Please refer to the section of this Circular "General Proxy Matters - Completing the Form of Proxy" for further details.

In person at the Meeting

You do not need to complete or return your form of proxy.

You will receive an admission ticket at the Meeting upon registration at the registration desk.

How to vote – non-registered Voting Unitholders

You are a non-registered Voting Unitholder if your bank, trust company, securities broker or other financial institution (your "Nominee") holds your Voting Units for you.

If you are not sure whether you are a non-registered Voting Unitholder, please contact CIBC Mellon at 1-800-387-0825.

As permitted under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Fund has used a non-objecting beneficial owners list to send this Circular and the form of proxy directly to the non objecting beneficial owners whose names appear on that list.

By proxy

Your Nominee is required to ask for your voting instructions before the Meeting. Please contact your Nominee if you did not receive a request for voting instructions in this package.

In most cases, non-registered Voting Unitholders will receive a voting instruction form which allows them to provide their voting instructions by mail.

In person at the Meeting

You can vote your Voting Units in person at the Meeting if you have instructed your Nominee to appoint you as Proxyholder.

To do this, write your name in the space provided on the voting instruction form and otherwise follow the instructions of your Nominee.

Completing the Form of Proxy

You can choose to vote "For" or "Against" with respect to the approval of the Arrangement Resolution, the Long-Term Incentive Plan Resolution, and to vote "For" or "Withhold" with respect to the election of the Fund Trustees, Trustees and GP Directors, and the appointment of the auditors. If you are a non-registered Voting Unitholder voting your Voting Units, please follow the instructions provided in the voting instruction form provided.

When you sign the form of proxy without appointing an alternate Proxyholder, you authorize the Named Proxyholders to vote your Voting Units for you at the Meeting in accordance with your instructions.

If you return your proxy without specifying how you want to vote your Voting Units, the Named Proxyholders will vote FOR the approval of the Arrangement Resolution, FOR the Long-Term Incentive Plan Resolution, FOR the election of the nominee Fund Trustees, the nominee Trustees and the nominee GP

Directors who are named in this Circular and FOR the appointment of PricewaterhouseCoopers LLP as auditors of the Fund.

The Fund Trustees are not aware of any other matters which will be presented for action at the Meeting. If, however, other matters properly come before the Meeting, the Named Proxyholders will vote in accordance with their judgment, pursuant to the discretionary authority conferred by the proxy with respect to such other matters.

You have the right to appoint someone other than the Named Proxyholders to be your Proxyholder. If you are appointing someone else to vote your Voting Units for you at the Meeting, fill in the name of the person voting for you in the blank space provided on the form of proxy.

A Proxyholder has the same rights as the Voting Unitholder by whom it was appointed to speak at the Meeting in respect of any matter, to vote by way of ballot at the Meeting and, except where the Proxyholder has conflicting instructions from more than one Voting Unitholder, to vote at the Meeting in respect of any matter by way of any show of hands.

If you are an individual Voting Unitholder, you or your authorized attorney must sign the form of proxy. If you are a corporation or other legal entity, an authorized officer or attorney must sign the form of proxy.

Changing your vote

In addition to revocation in any other manner permitted by law, a Voting Unitholder giving a proxy may revoke it by an instrument in writing executed by the Voting Unitholder or the Voting Unitholder's attorney authorized in writing and deposited either at the Montreal office of the Fund's transfer agent, CIBC Mellon, located at 2001 University Street, Suite 1600, Montreal, Québec, H3A 2A6 or at the Fund's registered office, 1600, René-Lévesque Blvd. West, 16th Floor, Montreal, Québec, H3H 1P9 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting, or any adjournment thereof.

Voting requirements

The adoption of the Long-Term Incentive Plan, the appointment of the auditors of the Fund and the election of certain of the Fund Trustees, Trustees and GP Directors will be determined by a majority of votes cast by Voting Unitholders at the Meeting by proxy or in person. If there is a tie, the Chair of the Meeting is not entitled to a second or casting vote, and the motion will not pass. CIBC Mellon counts and tabulates the votes.

Pursuant to the Interim Order, the number of votes required to pass the Arrangement Resolution shall be not less than two thirds of the votes cast by Voting Unitholders, either in person or by proxy, voting at the Meeting. In addition, the Arrangement Resolution must be approved by a majority of the votes attached to the Units held by Unitholders who are Disinterested Unitholders voted in person or by proxy, voting at the Meeting pursuant to MI 61-101.

Voting Units and Quorum

As of the Record Date, there were 18,103,589 Units and 9,060,387 Special Voting Units issued and outstanding. Voting Unitholders of record are entitled to receive notice of and vote at the Meeting. The list of Voting Unitholders entitled to vote at the Meeting will be available for inspection after April 20, 2010 during usual business hours at the office of the Fund's transfer agent, CIBC Mellon, located at 2001 University Street, Suite 1600, Montreal, Québec, H3A 2A6 and at the Meeting.

Pursuant to the Fund Declaration of Trust, a quorum is present at the Meeting if two or more individuals present in person either hold personally or represent as proxies not less than one Voting Unit in the aggregate. If a quorum is present within 30 minutes of the time set for the Meeting, the Voting Unitholders present or represented by proxy may proceed with the business of the Meeting. If a quorum is not attained within 30 minutes of the time fixed for the Meeting, the Meeting will stand adjourned to a day not less than 14 days later and to a place and time as chosen by the Chairman of the Meeting. If at such adjourned Meeting a quorum as defined above is not present, the Voting

Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such adjourned Meeting in accordance with the notice calling same. The Chairman of the Board of Fund Trustees or any Fund Trustee or other person determined by the Fund Trustees shall be the Chairman of any meeting of Voting Unitholders.

Any action to be taken by the Voting Unitholders shall, except as otherwise required by the Fund Declaration of Trust on by law, be authorized when approved by a resolution passed by the affirmative votes of the holders(s) of more than fifty percent (50%) of the Voting Units issued and outstanding at that time who voted in respect of that resolution; either in person or by proxy, at a meeting of Voting Unitholders at which a quorum was present, or by a resolution or instrument signed in one or more counterparts by the holders of all the Voting Units issued and outstanding at that time entitled to vote on such resolution.

Principal Voting Unitholders

Pursuant to the Fund Declaration of Trust, the Fund is authorized to issue an unlimited number of Units and an unlimited number of Special Voting Units representing voting rights in the Fund that accompany the Exchangeable LP Units of GENIVAR LP. As at April 15, 2010, 18,103,589 Units and 9,060,387 Special Voting Units were outstanding. Each Unit and Special Voting Unit carries the right to one vote on all matters which come before the Meeting.

As at April 15, 2010, to the knowledge of the Fund Trustees, no entity, other than GENIVAR Inc., beneficially owned, directly or indirectly, or exercised control or direction over Units carrying 10% or more of the votes attached to all outstanding Units. On April 15, 2010, GENIVAR Inc. held directly or indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Exchangeable LP Units, which represent a 33.35% indirect ownership of the Units, assuming the conversion of all such Exchangeable LP Units into Units, but which, except through the ownership of Special Voting Units, do not provide rights to vote to GENIVAR Inc. for the purpose of the Meeting. As at April 15, 2010, GENIVAR Inc. held directly or indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Special Voting Units, which represent 100% of the then currently outstanding Special Voting Units and 33.35% of the votes attached to all outstanding Units and Special Voting Units.

As at April 15, 2010, Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, Marc Rivard, Éric Tremblay, François Perreault, Brian Barber, Shawn Gibbons, Faramarz Kordgharachorloo, Brian Oshust, François Morton, William Brandt and Jeff Reichert (the "**Executive Officers**"), as a group, owned directly a 31.7% equity interest in GENIVAR Inc., which directly or indirectly owned a 33.35% interest in GENIVAR LP. The board of directors of GENIVAR Inc. is composed of Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, Éric Tremblay, Marc Rivard, François Perreault and Brian Oshust. All of the GENIVAR Inc. Shareholders are subject to the Shareholders' Agreement providing for their rights and obligations in GENIVAR Inc. It is a condition to the completion of the Arrangement that the Shareholders' Agreement be terminated as of the Effective Date.

SPECIAL BUSINESS OF THE MEETING

Special Business

The Meeting will be constituted as an annual as well as a special meeting. As part of the special business set out in the Notice of Meeting, Voting Unitholders will be asked to consider and vote to approve the Arrangement Resolution and, subject to approval of the Arrangement, the Long-Term Incentive Plan Resolution.

Approval of the Arrangement Resolution

At the Meeting, Voting Unitholders will be asked to consider and to vote to approve the Arrangement Resolution approving the Arrangement. To be effective, the Arrangement must be approved by a resolution passed by not less than sixty-six and two-thirds percent ($66\frac{2}{3}$) of the aggregate votes cast by the Voting Unitholders voting in person or by proxy at the Meeting and by a majority of the votes attached to the Units held by Disinterested Unitholders and

voted in person or by proxy at the Meeting pursuant to MI 61-101. The Arrangement Resolution is set out in Appendix A of this Circular.

If you do not specify how you want your Voting Units voted, the Named Proxyholders or the other persons named as Proxyholders will cast the votes represented by proxy at the Meeting FOR the Arrangement Resolution.

For more information, see "Background to and Reasons for the Arrangement – Background to the Arrangement" and "The Arrangement".

Approval of Long-Term Incentive Plan

Provided the Arrangement Resolution is approved, the Voting Unitholders will be asked to consider and, if deemed advisable, to approve at the Meeting the adoption by New GENIVAR of the Long-Term Incentive Plan and pass, with or without variation, the Long-Term Incentive Plan Resolution. To be effective, the Long-Term Incentive Plan must be approved by a majority of the votes cast by the Voting Unitholders voting in person or by proxy at the Meeting. The Long-Term Incentive Plan must also be approved by a majority of the votes cast by GENIVAR Inc. Shareholders voting in person or by proxy at the GENIVAR Meeting. A copy of the Long-Term Incentive Plan is set out in Appendix I of this Circular. The Long-Term Incentive Plan Resolution is set out in Appendix H of this Circular.

If you do not specify how you want your Voting Units voted, the Named Proxyholders or the other persons named as Proxyholders will cast the votes represented by proxy at the Meeting FOR the Long-Term Incentive Plan Resolution.

For more information, see "The Arrangement - Approval of Long-Term Incentive Plan".

BACKGROUND TO AND REASONS FOR THE ARRANGEMENT

Background to the Arrangement

The SIFT Rules

On October 31, 2006, the Minister announced that changes would be made to the tax treatment of SIFT trusts (the "**SIFT Rules**"). Now enacted, the SIFT Rules impose a tax at the trust level on distributions of certain income from, among other entities, publicly traded mutual fund trusts at a rate of tax comparable to the combined federal and provincial corporate tax rate and treat such distributions as dividends to unitholders. Trusts that were publicly traded at the time of the announcement of the SIFT Rules have a four year transition period and generally would not be subject to the new rules until 2011, provided such trusts experienced only "normal growth" and no "undue expansion" before then.

The SIFT Rules will subject the Fund to trust level taxation as of January 1, 2011. There can be no assurance that the Fund will be able to retain the benefit of the deferred application of the SIFT Rules until 2011 or until the date of the Arrangement, whichever is earlier.

On November 28, 2008, the Minister released a notice of ways and means motion including specific proposed rules initially contained in a draft legislation of July 14, 2008 (the "**Conversion Rules**") allowing publicly traded mutual fund trusts to convert into taxable Canadian corporations without any undue tax consequences to the trust or its unitholders. On February 2, 2009, as a result of the prorogation of Parliament on December 4, 2008, the Minister reintroduced the Conversion Rules in a notice of ways and means motion. The Conversion Rules were enacted in Bill C-10 which received Royal Assent on March 12, 2009. It is the intention of the Fund to take advantage of such Conversion Rules.

Strategic Analysis of the Fund Structure

The Board of Fund Trustees, the Board of Trustees, the Board of GP Directors and Management continuously review the Fund's strategic objectives and all options available to it in respect thereof to ensure that the Fund's capital structure is efficient and that Unitholder value is being maximized.

At the end of the fiscal year 2009, Management updated the Board of Fund Trustees with respect to the potential impact and significance of the SIFT Rules to the Fund, including the impact upon the Fund's growth strategy. The discussion on the SIFT Rules has led the Board of Fund Trustees to carry out a more detailed analysis concerning the strategic direction for the Fund and regarding a broad range of strategic alternatives offered to it. As a result of this analysis, it was determined that, following the federal government's decision to effectively eliminate the income trust structure (and its related tax benefit) and considering the willingness of the Board of Fund Trustees and the board of directors of GENIVAR Inc. to simplify and consolidate the operating entities of GENIVAR, it is in the best interest of GENIVAR to convert from an income trust to a corporate structure effective on January 1, 2011.

Strategic Analysis of the GENIVAR Holding Group Structure

As part of the review of the Fund's strategic direction, the Board of Fund Trustees, the board of directors of GENIVAR Inc. and Management also carried out a detailed analysis of the corporate and share capital structure of the GENIVAR Holding Group. Such analysis included a review of the viability of such capital structure in the future given the lack of liquidity for GENIVAR Inc. Shareholders and the costs for the GENIVAR Holding Group associated with the repurchase of GENIVAR Inc. Common Shares. It was also determined that, given the acquisitions track record of the Fund and its strategic plan going forward, it was in the best interest of the Fund to simplify the GENIVAR Holding Group's structure. As a result of this analysis, it was determined by the board of directors of GENIVAR Inc. and the Board of Fund Trustees that, as part of the reorganization of the Fund into a corporate structure, it is in the best interest of the GENIVAR Holding Group, the GENIVAR Inc. Shareholders, the Fund and the Unitholders (other than the Excluded Unitholders) to combine the GENIVAR Holding Group with GENIVAR.

Recommendation

The potential reorganization of the Fund's income trust structure to a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR was initially discussed with the Fund Trustees, the Trustees and GP Directors at joint meetings of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors held on May 12, 2009. Following such board meeting, a subcommittee of the board was formed consisting of two independent members of the Board of Fund Trustees, Pierre Simard and Lawrence Smith. The mandate of the Special Committee was to consider strategic alternatives for the conversion to a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR.

Advisors

On December 4, 2009, the Fund also retained the services of PCI to provide advice relating to executive compensation and compensation programs design of New GENIVAR following completion of the Arrangement.

In connection with its mandate, the Special Committee was authorized to retain independent financial advisors to conduct an in depth analysis of the Arrangement. To assist the Special Committee, Blair Franklin was formally engaged pursuant to an engagement agreement dated December 7, 2009, as financial and strategic advisor to the Special Committee in connection with the possible reorganization of the Fund's income trust structure into a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR and to prepare the fairness opinion to be delivered to the Special Committee and the Board of Fund Trustees.

On December 7, 2009, the Fund retained BMO as financial and strategic advisor to provide strategic advices and guidelines to the Fund in respect of the potential reorganization of the Fund's income trust structure to a corporate structure and the combination of the GENIVAR Holding Group and GENIVAR. BMO has received or will receive fees from the Fund for services rendered.

On December 7, 2009, Stikeman was retained to serve as legal counsel to the Fund and on December 7, 2009, Joli-Coeur was retained to serve as legal counsel to GENIVAR Inc.

On January 26, 2010, the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors retained E&Y as tax advisor to the Fund. E&Y also acts as tax advisor to the GENIVAR Holding Group.

The Arrangement is a "business combination" for the Fund as defined in MI 61-101 due to the fact that GENIVAR Inc., a "related party" to the Fund (as defined in MI 61-101) will, as a consequence of the Arrangement, combine with GENIVAR. Generally, MI 61-101 requires a reporting issuer engaged in a business combination to (i) obtain a valuation of the subject matter of the proposed transaction; and (ii) obtain the approval of the reporting issuer's "minority shareholders" (as that term is defined in MI 61-101). In accordance with MI 61-101, the Special Committee retained an independent valuator to prepare a valuation valuing the Units of the Fund and the consideration to be received by the Unitholders and the GENIVAR Inc. Shareholders pursuant to the Arrangement. In this regard, the Special Committee retained KPMG pursuant to the Engagement Letter to prepare such valuation.

Review Process

The Special Committee met formally on five (5) occasions over the course of its mandate, and conducted informal consultations among its members and with its financial, tax and legal advisors, as well as with Management on numerous other occasions. Below is a description of some of the meetings and consultations of the Special Committee and some of the meetings and discussions that took place prior to the announcement of the Arrangement.

On January 14, 2010, the respective managements of GENIVAR and GENIVAR Inc. met with BMO, Stikeman and E&Y, to evaluate a proposed Arrangement and review potential strategic alternatives.

On February 22, 2010, BMO presented its analysis on the reorganization of the Fund into a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR and provided the Special Committee with a brief description of some of the financial implications of such Arrangement.

On March 12, 2010, the chairman of the Special Committee met with BMO to further discuss some of the financial implications of the Arrangement. On March 12, 2010, the chairman of the Special Committee met with KPMG to discuss the structure of the Arrangement and the subject matter of the valuation to be prepared by KPMG.

On March 25, 2010, GENIVAR Inc. and its counsel, Joli-Coeur and Stikeman discussed some of the contractual terms of the Arrangement.

On March 26, 2010, the Special Committee met with Stikeman, KPMG and Blair Franklin. Stikeman presented a preliminary report and KPMG and Blair Franklin provided the Special Committee with an update on the Valuation and Fairness Opinion, respectively. Some of the terms and conditions of the Arrangement were also discussed.

During a conference call held on March 30, 2010, several matters were discussed between the chairman of the Special Committee and Stikeman including (i) the process for approval of the Arrangement, (ii) the report of the Special Committee, (iii) the Lock-Up Agreements (iv) the supporting documentation in respect of the Arrangement, and (v) the financial terms of the Arrangement.

On April 1, 2010, the Special Committee met with Stikeman to discuss the dividend policy anticipated to be adopted by New GENIVAR following completion of the Arrangement and to review the terms of the Arrangement Agreement. Following such meeting, a conference call was held with Blair Franklin and Stikeman to further discuss some of the terms of the Arrangement Agreement.

During a conference call held on April 7, 2010, the chairman of the Special Committee discussed some of the legal aspects of the conversion with GENIVAR Inc. and its counsel. During such discussions, certain terms of the Arrangement Agreement were agreed upon including the indemnification obligations of GENIVAR Inc. under the Arrangement Agreement.

On April 14, 2010, the independent members of the Board held an *in camera session* during which Stikeman made a presentation on the terms of the Arrangement and the members of the Board asked questions and discussed various matters related to the Arrangement.

On April 15, 2010, the Special Committee held a meeting during which it approved the terms of the Arrangement and resolved to recommend the approval of the Arrangement by the Board of Fund Trustees.

Recommendation

After duly considering the financial and legal aspects and other considerations relating to the proposed transaction, including the terms of the proposed Arrangement, the Fund Trustees' duties and responsibilities to Unitholders, and the Fairness Opinion delivered by Blair Franklin and the Valuation delivered by KPMG, the Special Committee unanimously recommended, on April 15, 2010, that the Board of Fund Trustees authorizes and approves the proposed transaction providing for the reorganization of the Fund's income trust structure into a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR, and that the Fund Trustees recommends that the Unitholders (other than the Excluded Unitholders) vote their Units in favour of the Arrangement.

The Board of Fund Trustees then unanimously determined (with interested trustees abstaining) that the Arrangement is in the best interest of the Fund and the Unitholders and is fair to the Unitholders (other than the Excluded Unitholders) and authorized and approved the proposed transaction providing for the reorganization of the Fund's income trust structure into a corporate structure and the combination of the GENIVAR Holding Group with GENIVAR, and resolved to recommend that the Unitholders (other than the Excluded Unitholders) vote in favour of the Arrangement. In reaching its conclusions and formulating its recommendation, the Board of Fund Trustees considered a number of factors including, but not limited to, the following considerations and anticipated benefits of the Arrangement:

- (a) the Arrangement will (i) simplify the business structure and provide a structure similar to other publicly traded industry participants, (ii) simplify the structure for future acquisitions, and (iii) provide for a more straightforward corporate structure for the negotiation of operational contracts;
- (b) the Arrangement will lead to a simplified capital structure;
- (c) the Securityholders' Agreement will be terminated and, accordingly, there will no longer exist any right of the GENIVAR Holding Group to appoint members to the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors;
- (d) the federal government's decision to effectively eliminate the benefits of the income trust structure;
- (e) New GENIVAR will implement a dividend policy which is expected to provide an attractive return to New GENIVAR Shareholders;
- (f) New GENIVAR will be managed by the same experienced team of professionals that have demonstrated their ability to efficiently manage the operations of GENIVAR and to deliver on development and acquisition opportunities;
- (g) the exchange of Units for New GENIVAR Shares pursuant to the Arrangement will be completed on a tax-free "rollover" basis for Canadian federal tax purposes;
- (h) the GENIVAR Inc. Shareholders are expected to enter into Lock-Up Agreements with New GENIVAR;
- (i) the Arrangement must receive the appropriate Unitholder Approval and Shareholder Approval and approval from the Court in order to become effective; and
- (j) the Fairness Opinion was delivered to the Board of Fund Trustees and the Special Committee and the Valuation was delivered to the Special Committee.

Fairness Opinion

The Special Committee retained Blair Franklin to address the fairness, from a financial point of view, of the consideration to be received by Unitholders (other than the Excluded Unitholders) pursuant to the Arrangement. In connection with this mandate, Blair Franklin provided the Fairness Opinion to the Special Committee and the Board of Fund Trustees. The Fairness Opinion states that, on the basis of the particular assumptions and considerations summarized therein, in the opinion of Blair Franklin as of April 15, 2010, the consideration to be offered to the Unitholders pursuant to the Arrangement is fair, from a financial point of view, to Unitholders (other than the Excluded Unitholders). The Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. The Fairness Opinion is one factor, among others, that the Special Committee considered in assessing the Arrangement and making its recommendation to the Board of Fund Trustees. The Fairness Opinion is included as Appendix D to this Circular.

Blair Franklin have received or will receive fees from the Fund for services rendered. Such fees are not contingent on the completion of the transactions contemplated in the Arrangement nor on the conclusions reached by Blair Franklin in the Fairness Opinion.

Valuation

Pursuant to the Engagement Letter, the Special Committee retained KPMG to provide advice and assistance to the Special Committee in connection with the Arrangement and to prepare a formal valuation of the Units of the Fund and the consideration to be received by the Unitholders and GENIVAR Inc. Shareholders pursuant to the Arrangement in accordance with the requirements of MI 61-101. The Valuation was one factor, among others, that the Special Committee considered in assessing the Arrangement and making its recommendations to the Board of Fund Trustees.

The Engagement Letter provides that KPMG will be paid a fee based on its hourly rates for the time spent on the engagement. In addition, KPMG is to be reimbursed for its reasonable out-of-pocket expenses and will be indemnified by the Fund under certain circumstances arising in connection with the Valuation.

KPMG has been determined by the Special Committee to be qualified and independent within the meaning of MI 61-101.

Neither KPMG nor any of its affiliates (i) is an "issuer insider", "associated entity" or "affiliated entity" (as those terms are defined in MI 61-101) of GENIVAR or GENIVAR Inc. and its Subsidiaries; (ii) is an advisor to GENIVAR or GENIVAR Inc. and its Subsidiaries in connection with the Arrangement; (iii) is a manager or co-manager of a soliciting dealer group formed for purposes of the Arrangement or a member of a soliciting dealer group for the Arrangement; (iv) is the external auditor of the Fund or GENIVAR Inc. and its Subsidiaries; or (v) has a material financial interest in the completion of the Arrangement.

KPMG is one of the world's largest professional services organizations, offering a broad range of services. KPMG's corporate finance and valuation professionals have significant experience in advising companies for various purposes, including securities law compliance, fairness opinions, mergers and acquisitions, corporate income tax and litigation matters, amongst other things. The Valuation has been approved for release by selected partners of KPMG, each of whom is a member of the Canadian Institute of Chartered Business Valuators and experienced in merger, acquisition, divestiture and valuation matters.

To the knowledge of GENIVAR and the GENIVAR Holding Group, no prior valuations have been completed in respect of the GENIVAR Holding Group, the GENIVAR Inc. Common Shares, the Fund or the Units.

For the purposes of the Valuation and in respect of MI 61-101, "fair market value" is defined as the highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. This definition is consistent with the definition of fair market value in MI 61-101.

In the Valuation, KPMG determined that, as of April 15 2010, the fair market value of all of the Units (on a fully-diluted basis) is in the range of \$760,600,000 to \$781,000,000, which represent a value per Unit of \$28.00 to \$28.75, and that as of April 15, 2010, the pro forma fair market value of the New GENIVAR Shares after giving effect to the Arrangement viewed "en bloc" is in the range of \$732,800,000 to \$753,800,000, which, based on the number of New GENIVAR Shares expected to be issued on the Effective Date, represents a value per New GENIVAR Share of \$27.98 to \$28.78.

The Valuation was provided to the Special Committee solely for the purpose of its consideration of the Arrangement. Under the terms of the Engagement Letter, such Valuation may not be used for any other purpose or be relied upon by any other person, including any Unitholder. The Valuation was provided for the use of the Special Committee and should not be construed as a recommendation to invest in or divest of Units.

The Valuation is subject to the scope of review, major assumptions and restrictions and qualifications contained therein and must be considered in its entirety by the reader, as selecting and relying on only specific portions of the analyses or factors considered, without considering all factors and analyses together, could create a misleading view of the process underlying the Valuation. In particular, the preparation of a valuation is a complex process and it is not appropriate to extract partial analyses or make summary descriptions. Any attempt to do so could lead to undue emphasis on a particular factor or analysis. The Valuation should be read in its entirety and is included as Appendix E to this Circular.

Approval and Recommendation of the Board of Fund Trustees

The Board of Fund Trustees has unanimously determined that the Arrangement is fair to Unitholders (other than the Excluded Unitholders) and is in the best interests of the Fund and its Unitholders, and recommended that Unitholders (other than the Excluded Unitholders) vote in favour of the Arrangement Resolution.

In approving the Arrangement and in making this recommendation, the Fund Trustees considered a number of factors which are described under "Background to and Reasons for the Arrangement – Recommendation – Recommendation". In view of the variety of factors considered in connection with its evaluation of the Arrangement, the Board of Fund Trustees did not find it practicable to and did not quantify or otherwise assign relative weights to the specific factors considered in reaching its determination as to the fairness of the Arrangement.

The factors and anticipated benefits considered and given weight by the Board of Fund Trustees are not intended to be exhaustive. In reaching the determination to approve and recommend the Arrangement Resolution, the Board of Fund Trustees did not assign any relative or specific weight to the factors that were considered, and individual Fund Trustees may have given different weight to each factor. There are risks associated with the Arrangement, including that some of the potential benefits set forth in this Circular may not be realized or that there may be significant costs associated with realizing such benefits.

As at April 15, 2010, the Fund Trustees, the Trustees and the directors and officers of GENIVAR GP and GENIVAR LP and their associates beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 22,679 Units, representing approximately 0.125% of the outstanding Units. As at April 15, 2010, GENIVAR Inc. holds directly or indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Special Voting Units, which represent 100% of the then currently outstanding Special Voting Units and 33.35% of the votes attached to all outstanding Units and Special Voting Units. GENIVAR Inc. and each of the members of the Board of Fund Trustees, of the Board of Trustees, of the Board of GP Directors and each of the executive officers of GENIVAR LP, have indicated that they intend to vote all of their Voting Units, as applicable, in favour of the Arrangement Resolution.

THE ARRANGEMENT

Effect of the Arrangement

Conversion to a Corporate Structure

If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a public corporation to be named "GENIVAR Inc." and the combination of the GENIVAR Holding Group with GENIVAR. Pursuant to the Arrangement, Unitholders (other than the Dissenting Unitholders) will receive, for each Unit held, one New GENIVAR Share and the GENIVAR Inc. Shareholders will receive, for each GENIVAR Inc. Common Share held immediately prior to the Effective Time (but after the split contemplated in the Arrangement), 0.8929 New GENIVAR Share. As of the date hereof, the GENIVAR Inc. Shareholders hold a 33.35% indirect interest in the Fund and Unitholders hold a 66.65% direct interest in the Fund. On completion of the Arrangement, the GENIVAR Inc. Shareholders are anticipated to own approximately 30.89% of New GENIVAR and the Unitholders are anticipated to own approximately 69.11% of New GENIVAR.

The aggregate ownership percentage of each of the GENIVAR Inc. Shareholders and Unitholders will be adjusted depending on the Adjusted Net Asset Value of the GENIVAR Holding Group as of December 31, 2010. It is not expected that any such adjustment will be material to the aggregate ownership percentage of New GENIVAR by Unitholders. A press release will be issued by the Fund on December 31, 2010 setting out the amount of any such adjustment and its impact on the ownership percentage of New GENIVAR by Unitholders and GENIVAR Inc. Shareholders. See "The Arrangement – Effect of the Arrangement– Conversion Ratio".

The Effective Date of the Arrangement is expected to occur on or about January 1, 2011.

The TSX has conditionally approved the substitutional listing of the New GENIVAR Shares issuable pursuant to the Arrangement to trade on the TSX under the symbol "GNV" after the Effective Date, subject to fulfilling the requirements of such exchange as soon as possible after the Effective Time.

See "The Arrangement – Arrangement Steps", "The Arrangement – Procedure for the Arrangement Becoming Effective" and "Certain Canadian Federal Income Tax Considerations".

Combination of the GENIVAR Holding Group with GENIVAR

If approved, in addition to the reorganization of the Fund's income trust structure into a public corporation, the Arrangement will result in the combination of the GENIVAR Holding Group with GENIVAR.

The GENIVAR Holding Group is a holding structure through which, as at April 15, 2010, its 460 shareholders, all of which are employees of GENIVAR, hold a 33.35% indirect interest in the Fund. The GENIVAR Holding Group does not carry on any business or activities and, except for its interest in GENIVAR, does not have material assets or liabilities. See "Information Concerning the GENIVAR Holding Group".

The pro forma financial statements of the Fund, giving effect to the Arrangement, including the combination of the GENIVAR Holding Group and GENIVAR, are included at [Appendix F](#) to the Circular.

Conversion Ratio

In all circumstances, Unitholders (other than the Dissenting Unitholders) will receive one New GENIVAR Share for each Unit held.

Pursuant to the Arrangement, the GENIVAR Inc. Shareholders will receive, for each GENIVAR Inc. Common Share held immediately prior to the Effective Time (but after the split contemplated in the Arrangement), 0.8929 New GENIVAR Share (as adjusted).

The GENIVAR Share Conversion Ratio has been calculated on April 15, 2010 based on the following formula:

$$\frac{A - (\text{nominal Adjusted Net Asset Value calculated on April 15, 2010 divided by B})}{A}$$

where:

(i) A is equal to 9,060,387 which represents the number of Exchangeable LP Units held by GENIVAR Inc. in the Fund and the number of GENIVAR Inc. Common Shares that will be outstanding as of Effective Date further to a split or consolidation of the GENIVAR Inc. Common Shares in accordance with the terms of the Plan of Arrangement (see step (e) under "The Arrangement – Arrangement Steps"); (ii) the Adjusted Net Asset Value calculated on April 15, 2010 is equal to negative \$27,500,000, which represents the mid-point of the range of the Adjusted Net Asset Value of the GENIVAR Holding Group determined by KPMG in the Valuation; and (iii) B is equal to \$28.34, which represents the weighted average price of the Units for the ten trading-day period prior to the announcement of the Arrangement on April 15, 2010.

On December 31, 2010, KPMG will provide the Special Committee and GENIVAR Inc. with a statement of the Adjusted Net Asset Value of the GENIVAR Holding Group as of December 31, 2010. The statement will be prepared in accordance with the same procedures and assumptions applied in the Valuation dated April 15, 2010. In the event that the mid-point of the range of the Adjusted Net Asset Value calculated as of December 31, 2010 is above or below negative \$27,500,000, the GENIVAR Share Conversion Ratio will be recalculated as follows:

$$\frac{A - (\text{nominal Adjusted Net Asset Value calculated as of December 31, 2010 divided by B})}{A}$$

where (i) A and B have the same values as indicated above and (ii) the Adjusted Net Asset Value calculated as of December 31, 2010 is equal to the mid-point of the range of the Adjusted Net Asset Value of the GENIVAR Holding Group determined by KPMG on December 31, 2010.

Any adjustment to the GENIVAR Share Conversion Ratio as contemplated above will be announced by the Fund by way of press release on December 31, 2010.

The following table shows the variation to ownership of New GENIVAR in the event of certain Adjusted Net Asset Value variations.

Adjusted Net Asset Value Variation (in millions of \$)	Aggregate Unitholder Ownership	Aggregate GENIVAR Inc. Shareholder Ownership
+14.5	67.79%	32.21%
+10	68.20%	31.80%
+5	68.65%	31.35%
Current	69.11%	30.89%
-5	69.58%	30.42%
-10	70.06%	29.94%
-14.5	70.49%	29.51%

Effect on Distributions

Provided the Arrangement is approved at the Meeting, Unitholders are expected to receive their regular monthly cash distribution of \$0.125 per Unit, subject to additional special distributions as determined by the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors until the Effective Time of the Arrangement. The last payment of distribution is expected to be made on January 17, 2011 to holders of record on December 31, 2010. In the event that the Arrangement is not approved at the Meeting, the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors are expected to continue to provide regular monthly cash distribution until the end of December 2010 as they did in the past and will meet at the end of fiscal year 2010 to consider the Fund's distribution policy for 2011.

If the Arrangement is approved by Unitholders at the Meeting and the Effective Date occurs on or about January 1, 2011, as currently scheduled, it is anticipated that New GENIVAR will implement a dividend policy that will enable New GENIVAR to pay regular dividends whereby it will initially pay a quarterly dividend of \$0.375 (\$1.50 per annum) per New GENIVAR Share. Provided the Arrangement is approved by Unitholders at the Meeting, the first quarterly dividend is anticipated to be declared in respect of the quarter ended March 31, 2011 and paid on or about April 15, 2011. See "Information Concerning New GENIVAR – Dividend Policy".

Any decisions to pay dividends on the New GENIVAR Shares will be made by the board of directors of New GENIVAR based on, among other things, New GENIVAR's earnings, financial requirements for New GENIVAR's operations, the satisfaction of applicable solvency tests for the declaration and payment of dividends and other conditions existing from time to time. As such, the board of directors of New GENIVAR will have the entire discretion to modify the dividend policy from time to time. **As a result, no assurance can be given as to whether New GENIVAR will pay dividends, or the frequency or amount of any such dividend.** See "Risk Factors".

Consequential Changes to Existing Agreements

Pursuant to the Arrangement and as set forth in the Plan of Arrangement, GENIVAR, the GENIVAR Holding Group shall undergo a reorganization that, among other steps, will involve the amendment and/or termination of a number of agreements to which the Fund and certain other entities are a party and including, but not limited to (i) the termination of the Securityholders' Agreement, the Subscription and Acquisition Agreement, the Acquisition Agreement, the Exchange Agreement and the Preferred Business Relationship Agreement and (ii) the liquidation of the Fund and the Trust in accordance with the Fund Declaration of Trust and the Trust Declaration of Trust, the liquidation and dissolution of GENIVAR LP and GENIVAR Consultants LP in accordance with their respective constating documents and the amalgamation of GENIVAR GP, GENIVAR Ontario and GENIVAR Inc. As a consequence of the termination of the Securityholders' Agreement, following completion of the Arrangement, there will no longer exist any right to appoint members to the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors.

Corporate Governance Following the Arrangement

After completion of the Arrangement, the board of directors of New GENIVAR will be comprised of the members of the Board of Fund Trustees immediately prior to the Effective Time. The governance policies and practices of the Fund currently in place for the benefit of Unitholders, including the roles and responsibilities of the Audit Committee, the Corporate Governance, Nominating and Compensation Committee and the Risk Committee, will be revised if, as and when applicable to reflect the reorganization of the Fund into New GENIVAR and the combination of the GENIVAR Holding Group with GENIVAR, without any diminution to the benefits and protections to the New GENIVAR Shareholders and in compliance with applicable laws. See "Information Concerning New GENIVAR – Statement of Governance Practice".

Arrangement Steps

Immediately before the Effective Date, GENIVAR Inc. shall declare a dividend in the aggregate amount of \$15,000,000 to holders of GENIVAR Inc. Common Shares of record on December 31, 2010, which dividend shall be payable by the issuance, on a pro rata basis, of (i) interest bearing promissory notes in an aggregate amount of \$12,000,000, and (ii) Dividend Amount Promissory Notes. See "The Arrangement – Arrangement Agreement – Dividend Amount".

Except for steps (m) and (n) which shall not form part of the Arrangement and are provided herein for reference purposes only, commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring thirty (30) minutes apart, without any further act or formality except as otherwise provided in the Plan of Arrangement:

Amendment to Fund Declaration of Trust and Other Constatng Documents

- (a) the Fund Declaration of Trust, the Trust Declaration of Trust, the GENIVAR LP Agreement and the GENIVAR Consultants LP Agreement shall be amended to the extent necessary to facilitate the Arrangement as provided herein;

Dissenting Unitholders

- (b) the Units held by the Dissenting Unitholders shall be deemed to have been transferred to the Fund (free of any claims) and cancelled. Such Dissenting Unitholders shall cease to have any rights as Unitholders, other than the right to be paid the fair value of their Units in accordance with the Plan of Arrangement;

Dissenting GENIVAR Inc. Shareholders

- (c) the GENIVAR Inc. Common Shares held by Dissenting GENIVAR Inc. Shareholders shall be deemed to have been transferred to GENIVAR Inc. (free of any claims) and cancelled. Such Dissenting GENIVAR Inc. Shareholders shall cease to have any rights as GENIVAR Inc. Shareholders, other than the right to be paid the fair value of their GENIVAR Inc. Common Shares in accordance with the Plan of Arrangement;

Dissenting GENIFINANCE Shareholders

- (d) the GENIFINANCE Shares held by Dissenting GENIFINANCE Shareholders shall be deemed to have been transferred to GENIFINANCE (free of any claims) and cancelled. Such Dissenting GENIFINANCE Shareholders shall cease to have any rights as GENIFINANCE Shareholders, other than the right to be paid the fair value of their GENIFINANCE Shares in accordance with the Plan of Arrangement;

Consolidation or Split of GENIVAR Inc. Common Shares

- (e) all of the issued and outstanding GENIVAR Inc. Common Shares shall be split or consolidated, as applicable, such that after such split or consolidation, the number of issued and outstanding GENIVAR Inc. Common Shares shall be equal to 9,060,387;

Transfer of GENIFINANCE Shares

- (f) the GENIFINANCE Shareholders (other than the Dissenting GENIFINANCE Shareholders) shall transfer their GENIFINANCE Shares to GENIVAR Inc. in consideration for a cash payment equal to the Cash Consideration;

Reduction of Stated Capital of GENIFINANCE

- (g) GENIFINANCE shall reduce its stated capital in respect of the GENIFINANCE Shares to \$100, without any payment or distributions thereon;

Winding-Up of GENIFINANCE

- (h) all of the assets of GENIFINANCE shall be transferred to GENIVAR Inc. and GENIVAR Inc. shall assume the liabilities of GENIFINANCE;

Creation of New GENIVAR Shares

- (i) the existing share capital of GENIVAR Inc. shall be amended to create the New GENIVAR Shares, the rights, privileges, conditions and restrictions of which are set out in Schedule A to the Plan of Arrangement;

Exchange of GENIVAR Inc. Common Shares for New GENIVAR Shares

- (j) each GENIVAR Inc. Shareholder (other than the Dissenting GENIVAR Inc. Shareholders) shall exchange each of its GENIVAR Inc. Common Shares for New GENIVAR Shares, based on the GENIVAR Share Conversion Ratio;

Reorganization of Share Capital of GENIVAR Inc.

- (k) The articles of GENIVAR Inc. shall be amended to change the authorized capital of GENIVAR Inc., such that GENIVAR Inc. has a single class of authorized shares, being the New GENIVAR Shares;

Exchange of Units for New GENIVAR Shares

- (l) the Units held by the Unitholders (other than the Dissenting Unitholders) shall be transferred to GENIVAR Inc. in consideration for New GENIVAR Shares on the basis of one New GENIVAR Share for each Unit so transferred;

Reduction of Stated Capital of 9050-7419

- (m) 9050-7419 shall reduce, in accordance with applicable laws, its stated capital in respect of the 9050-7419 Shares to \$100 dollars, without any payment or distributions thereon;

Winding-Up of 9050-7419

- (n) All of the assets of 9050-7419 shall be transferred to GENIVAR Inc. and GENIVAR Inc. shall assume the liabilities of 9050-7419, in accordance with applicable laws;

Winding-Up and Dissolution of the Trust

- (o) the Trust shall be liquidated and dissolved in accordance with the Trust Declaration of Trust (as a result of which the Trust shall cease to exist) and all of the assets and liabilities of the Trust shall be distributed to and assumed by the Fund;

Winding-Up and Dissolution of the Fund

- (p) the Fund shall be liquidated and dissolved in accordance with the Fund Declaration of Trust (as a result of which the Fund shall cease to exist), and all of the assets and liabilities of the Fund shall be distributed to and assumed by GENIVAR Inc., including, without limitation, all liabilities in respect of any declared but unpaid distributions payable by the Fund;

Winding-Up and Dissolution of GENIVAR LP

- (q) GENIVAR LP shall be liquidated and dissolved in accordance with the GENIVAR LP Agreement (as a result of which GENIVAR LP shall cease to exist) and all of the assets and liabilities of GENIVAR LP shall be distributed to and assumed by GENIVAR Inc. and GENIVAR GP so that each of GENIVAR Inc. and GENIVAR GP shall have an undivided interest in the assets and liabilities equal to their respective interests in GENIVAR LP;

Winding-Up and Dissolution of GENIVAR Consultants LP

- (r) GENIVAR LP shall be liquidated and dissolved in accordance with the GENIVAR Consultants LP Agreement (as a result of which GENIVAR Consultants LP shall cease to exist), and all of the assets and liabilities of GENIVAR Consultants LP shall be distributed to and assumed by GENIVAR Inc., GENIVAR GP and GENIVAR Ontario so that each of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario shall have an undivided interest in the assets and liabilities equal to their respective interests in GENIVAR Consultants LP;

Transfer of the shares of GENIVAR Ontario

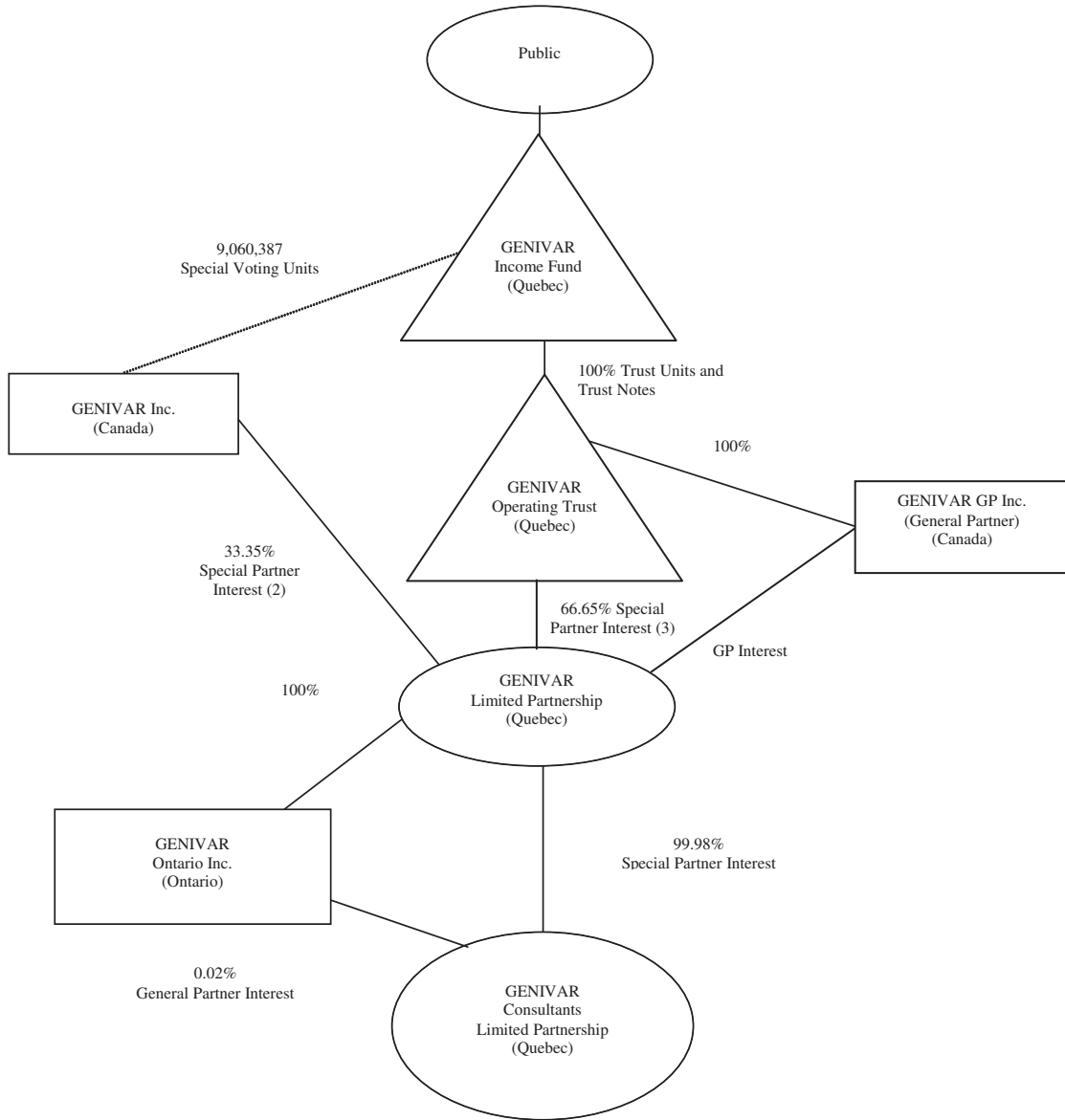
- (s) GENIVAR GP shall transfer its undivided interest in the shares of GENIVAR Ontario to GENIVAR Inc. in consideration for a non-interest bearing promissory note having a principal amount to be set out in the Transfer Notice;

Amalgamation of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario

- (t) GENIVAR Inc., GENIVAR GP and GENIVAR Ontario shall amalgamate to continue as New GENIVAR:
 - (i) the name of New GENIVAR shall be GENIVAR Inc.;
 - (ii) the head office of New GENIVAR shall be situated in the province of Québec and the address of its head office shall be 1600 René-Lévesque Blvd. West, 16th floor, Montreal, Québec, H3H 1P9;
 - (iii) the auditors of New GENIVAR shall be the auditors of the Fund immediately prior to the Effective Time;
 - (iv) New GENIVAR shall be authorized to issue an unlimited number of New GENIVAR Shares, having the rights, privileges, conditions and restrictions set out in Schedule A to the Plan of Arrangement;
 - (v) there shall be no restrictions on the activities that New GENIVAR is authorized to carry on, nor any restrictions on the transfer of the New GENIVAR Shares;
 - (vi) the board of directors of New GENIVAR will consist of not less than three (3) and not more than ten (10) directors, the exact number of which shall be determined by the directors from time to time;
 - (vii) the first directors of New GENIVAR who shall hold office until the next annual meeting of shareholders of New GENIVAR until their successors are elected or appointed, shall be the directors of GENIVAR GP immediately prior to the Effective Time;
 - (viii) the by-laws of New GENIVAR shall be the by-laws of GENIVAR Ontario; and
 - (ix) all of the rights, properties and liabilities of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario shall become the rights, properties and liabilities of New GENIVAR.

Pre-Arrangement Structure

The following chart illustrates, on a simplified basis, the structure of GENIVAR and certain of its Subsidiaries⁽¹⁾ as of the date hereof.

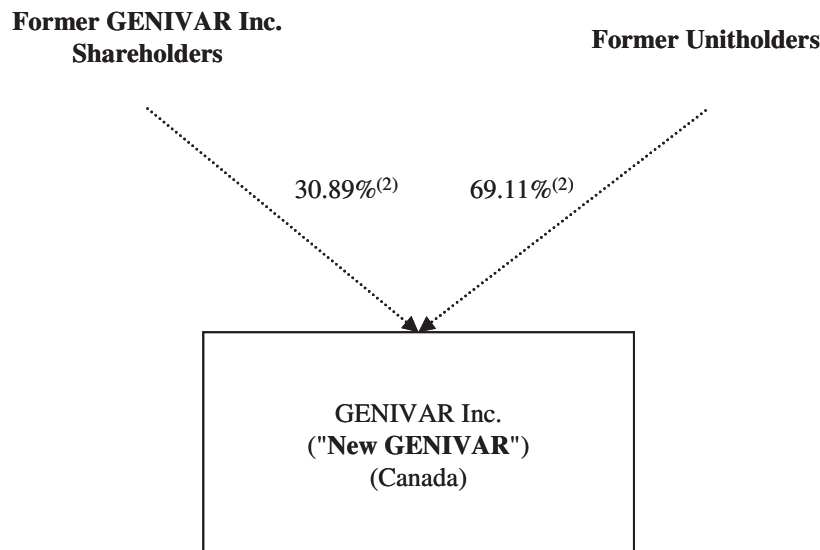


1. Certain Subsidiaries, each of which represents not more than 10% of the consolidated assets and not more than 10% of the consolidated revenues of GENIVAR, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total consolidated revenues of GENIVAR as at December 31, 2009 have been omitted.
2. 9,060,387 Exchangeable LP Units held directly or indirectly (33.35% equity interest).
3. 18,103,589 Class A LP Units (66.65% equity interest).

Post-Arrangement Structure

On completion of the Arrangement, the holders of GENIVAR Inc. Common Shares are anticipated to own approximately 30.89% of New GENIVAR and the Unitholders are anticipated to own approximately 69.11% of New GENIVAR (assuming there is no adjustment to the GENIVAR Share Conversion Ratio). The Fund and the Trust will be liquidated in accordance with the Fund Declaration of Trust and the Trust Declaration of Trust.

GENIVAR LP and GENIVAR Consultants LP will be liquidated and dissolved in accordance with their respective constating documents. GENIVAR GP and GENIVAR Ontario will amalgamate with GENIVAR Inc. to form New GENIVAR. The following diagram illustrates the organizational structure of New GENIVAR immediately following the completion of the Arrangement⁽¹⁾.



(1) Certain Subsidiaries, each of which represents not more than 10% of the consolidated assets and not more than 10% of the consolidated revenues of New GENIVAR, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total consolidated revenues of New GENIVAR as at December 31, 2009 have been omitted.

(2) Assuming there is no adjustment to the GENIVAR Share Conversion Ratio.

Upon completion of the Arrangement, an aggregate of approximately 26,193,069 New GENIVAR Shares will be issued and outstanding (assuming there is no adjustment to the GENIVAR Share Conversion Ratio).

See "The Arrangement – Effect of the Arrangement", "The Arrangement – Approval of Long-Term Incentive Plan" and "Information Concerning New GENIVAR".

Arrangement Agreement

On April 15, 2010, the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Ontario, GENIVAR Consultants LP, GENIVAR Inc. and GENIFINANCE entered into the Arrangement Agreement. The Arrangement is being effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants of and from GENIVAR and the GENIVAR Holding Group, and various conditions precedent, both mutual and with respect to each GENIVAR and the GENIVAR Holding Group. **The following description of certain material provisions of the Arrangement Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Arrangement Agreement, which is attached as Appendix C.** Unitholders are encouraged to read the Arrangement Agreement in its entirety. Terms not defined herein have the meaning ascribed to them in the Arrangement Agreement.

Effective Time and Arrangement Steps

The Arrangement Agreement provides that the Arrangement shall become effective at the Effective Time, which is expected to occur on or about January 1, 2011. The Arrangement Agreement further sets out the parties' agreement that the Arrangement will be implemented in accordance with the terms thereof, and as more fully set forth in the Plan of Arrangement.

Representations and Warranties

The parties to the Arrangement Agreement made certain representations and warranties in the Arrangement Agreement. The representations and warranties of the GENIVAR Holding Group will survive the Effective Date for a period of eighteen (18) months. The representations and warranties of the Fund will not survive the Effective Date.

Conditions Precedent

The respective obligations of the parties to the Arrangement Agreement to complete the transactions contemplated therein are subject to the satisfaction, on or before the Effective Time, of the conditions precedent as described under the section "The Arrangement – Procedure for the Arrangement Becoming Effective – Conditions Precedent to the Arrangement". **Any of such conditions may be waived by the party to the benefit of which such condition is stipulated without the consent of the Court, the Unitholders, the GENIVAR Inc. Shareholders or the GENIFINANCE Shareholders.**

Additional Covenants

Each of the parties covenants and agrees that New GENIVAR shall maintain directors and officers insurance in the form of a six-year "run off" policy for the benefit of all current and past directors and officers of GENIVAR Holding Group and their predecessors covering any claims made during the six-year period, provided that, the Fund Trustees, Trustees and GP Directors will continue to be covered under the current directors and officers insurance until the Effective Date and that, following such date, they will continue to be covered under New GENIVAR's directors and officers insurance.

As of the Effective Date, New GENIVAR shall maintain an insurance policy for the directors and officers of New GENIVAR (in their capacity as such).

Dividend Amount

Immediately prior to the Effective Date, GENIVAR Inc. will issue interest bearing promissory notes in an aggregate amount of \$3 million to each of the GENIVAR Inc. Shareholders (the "**Dividend Amount Promissory Notes**") in payment of their *pro rata* portion of the amount of dividend to be declared by GENIVAR Inc. on December 31, 2010 on the GENIVAR Inc. Common Shares in accordance with the Plan of Arrangement (the "**Dividend Amount**"). The Dividend Promissory Notes will be assumed by New GENIVAR as a result of the Arrangement and will be reflected in the calculation of the Adjusted Net Asset Value of the GENIVAR Holding Group as of December 31, 2010.

After the Effective Time, New GENIVAR will be entitled to reduce the amount of any payments to be made in satisfaction of the Dividend Amount Promissory Notes by any and all amounts of damages suffered by New GENIVAR as a result of a breach of representations, warranties or covenants by the GENIVAR Holding Group, provided that there shall be no obligation of New GENIVAR to deduct any amount from the Dividend Amount Promissory Notes until the total of damages suffered by New GENIVAR exceeds \$100,000, and then such obligation shall be for the total amount of such damages, including the initial \$100,000. The aggregate amount of deductions to be made against the Dividend Amount Promissory Notes shall not exceed \$3 million.

All of the matters relating to the Dividend Amount Promissory Notes will be managed by a committee composed of three (3) representatives of GENIVAR Inc. to be appointed by GENIVAR Inc. prior to the Effective Date as such members may be replaced from time to time. Such committee shall not be liable to the GENIVAR Inc. Shareholders for any acts or omissions except to the extent that it or its members have engaged in wilful misconduct or acted in bad faith. All payments on the Dividend Amount Promissory Notes shall be approved by the Special Committee.

Any amounts outstanding under the Dividend Amount Promissory Notes, less the amounts of damages or potential damages suffered by New GENIVAR, will be payable, on a *pro rata* basis, to the GENIVAR Inc. Shareholders at the end of an 18-month period following the Effective Date.

Expenses

The Fund will be responsible for the fees, costs and expenses of the Fund and its Subsidiaries, including fees of professionals and other advisers incurred by them in connection with the negotiation and settlement of the Arrangement Agreement and the completion of the transactions contemplated thereby.

GENIVAR Inc. will be responsible for the fees, costs and expenses incurred by GENIVAR Holding Group, including fees of professionals and other advisers incurred by them in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated hereby. Such fees, costs and expenses to be assumed by GENIVAR Inc. shall be reflected in the statement of the Adjusted Net Asset Value to be provided by KPMG on December 20, 2010.

In the event the Arrangement Agreement is terminated by the Fund pursuant to a breach by the GENIVAR Holding Group, the GENIVAR Holding Group shall pay to the Fund an amount of \$500,000 as a reimbursement of expenses and in the event the Arrangement Agreement is terminated by the GENIVAR Holding Group pursuant to a breach by the Fund, the Fund shall pay to the GENIVAR Holding Group an amount of \$250,000 as a reimbursement of expenses.

Procedure for the Arrangement Becoming Effective

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken for the Arrangement to become effective:

- (a) the Arrangement must receive Shareholder Approval;
- (b) the Arrangement must receive Unitholder Approval;
- (c) the Arrangement must be approved by the Court pursuant to the Final Order;
- (d) all conditions precedent to the Arrangement, including those set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate parties; and
- (e) the Final Order, Articles of Arrangement and related documents, in the form prescribed by the CBCA, must be filed with the Director and the Certificate must be issued by the Director.

Unitholders Approval

The number of votes required to approve the Arrangement Resolution shall be not less than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the aggregate votes cast by the Voting Unitholders, either in person or by proxy, at the Meeting.

In addition, a simple majority of the votes cast at the Meeting, in person or by proxy, by Unitholders who are Disinterested Unitholders is required to pass the Arrangement Resolution in accordance with MI 61-101 ("**Minority Approval**"). In determining Minority Approval, the votes of the Unitholders who are Excluded Unitholders will not be counted, together with any parties related to, and any person acting jointly or in concert with it.

As of the date of this Circular, the Excluded Unitholders hold an aggregate of 12,990 Units eligible to vote at the Meeting (approximately 0.072% of the total Units eligible to vote at the Meeting). To the knowledge of the Fund Trustees, the Trustees and the GP Directors, after reasonable inquiry, the aforementioned 12,990 Units are the only Units that will be excluded in determining whether Minority Approval of the Arrangement Resolution has been obtained. For greater certainty, GENIVAR Inc. shall not be eligible to vote its Special Voting Units at the Meeting.

Court Approvals

Interim Order

On April 23, 2010, the Court granted the Interim Order facilitating the calling of the Meeting and prescribing the conduct of the Meeting and other matters. A copy of the Interim Order is attached as Appendix B to this Circular.

Final Order

The CBCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Unitholders at the Meeting in the manner required by the Interim Order, GENIVAR GP and GENIVAR Inc. will make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for June 14, 2010, at the Court, 1, Notre-Dame Street East, Montreal, Québec, or at such later date as the application for the Final Order may be adjourned to. At the hearing, any Unitholder and any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the Fund a notice of intention to appear together with any evidence or materials which such party intends to present to the Court on or before noon (Montreal time) on May 31, 2010 or, if such appearance is with the view to contest the application for the Final Order or to make representations in relation thereto, on or before noon (Montreal time) on May 31, 2010. Service of such notice shall be effected by service upon the Fund's legal counsel, Stikeman, c/o Marc-André Coulombe, 1155 René-Lévesque Blvd West, 40th Floor, Montreal, Québec, H3B 3V2.

The Final Order will constitute the basis for an exemption from the registration requirements of the 1933 Act, with respect to the New GENIVAR Shares to be issued to Unitholders pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See "The Arrangement – Securities Law Matters – United States".

The Fund has been advised by its application counsel, Stikeman, that the Court has broad discretion under the CBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any required amendments, the Fund may determine not to proceed with the Arrangement.

Conditions Precedent to the Arrangement

The respective obligations of GENIVAR and the GENIVAR Holding Group to consummate the transactions contemplated by the Arrangement Agreement are subject to the satisfaction, on or before the Effective Date, of a number of conditions. **Any of such conditions may be waived by the party to the benefit of which such condition is stipulated without the consent of the Court, the Unitholders, the GENIVAR Inc. Shareholders or the GENIFINANCE Shareholders.**

Mutual Conditions Precedents

The respective obligations of GENIVAR and the GENIVAR Holding Group to consummate the transactions contemplated by the Arrangement Agreement are subject to the satisfaction, on or before the Effective Date, of a number of conditions, any of which may be waived by the mutual consent of such parties without prejudice to their right to rely on any other of such conditions. These conditions include, without limitation:

- (a) the Interim Order shall have been granted in form and substance satisfactory to GENIVAR and the GENIVAR Holding Group acting reasonably, not later than April 30, 2010 or such later date as the parties to the Arrangement Agreement may agree and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;
- (b) the Arrangement and the transactions contemplated by the Arrangement Agreement shall have received Unitholder Approval in accordance with the provisions of the Interim Order and any applicable regulatory requirements;
- (c) the Arrangement and the transactions contemplated by the Arrangement Agreement shall have received Shareholder Approval in accordance with the provisions of the Interim Order and any applicable regulatory requirements;

- (d) the Final Order shall have been granted in form and on terms satisfactory to GENIVAR and the GENIVAR Holding Group acting reasonably, not later than June 30, 2010 or such later date as the parties to the Arrangement Agreement may agree and shall not have been set aside or modified in a manner unacceptable to such parties, acting reasonably, on appeal or otherwise;
- (e) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to GENIVAR and the GENIVAR Holding Group acting reasonably, shall have been accepted for filing by the Director together with the Final Order in accordance with subsection 192(6) of the CBCA;
- (f) no provision of any applicable laws and no judgment, injunction, order or decree shall be in effect which restrains or enjoins or otherwise prohibits the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement;
- (g) the New GENIVAR Shares issuable pursuant to the Arrangement shall be issued pursuant to exemptions from the registration and prospectus requirements of applicable Canadian securities laws, and the TSX shall have approved the substitutional listing and posting for trading of the New GENIVAR Shares, subject only to the filing of required documents which cannot be filed prior to the Effective Date;
- (h) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated by the Arrangement Agreement;
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated by the Arrangement Agreement; or
 - (iii) otherwise have a material adverse effect on any party to the Arrangement Agreement;
- (i) all necessary material third party and regulatory consents and approvals with respect to the transactions contemplated under the Arrangement shall have been completed or obtained;
- (j) there shall not be Unitholders that hold, in aggregate, in excess of 2% of all issued and outstanding Units immediately prior to the Effective Time, that have validly exercised their rights of dissent under the Interim Order and not withdrawn such exercise; and
- (k) the Arrangement Agreement shall not have been terminated in accordance with its terms.

Additional Conditions to the Obligations of GENIVAR

The obligation of GENIVAR to complete the Arrangement pursuant to the Arrangement Agreement is subject to the satisfaction of, or compliance with, at or prior to the Effective Time, each of the following conditions:

- (a) the representations and warranties of the GENIVAR Holding Group made in or pursuant to the Arrangement Agreement shall be true in all material respects (provided that those representations which are subject to qualifications or limitations as to materiality or material adverse effect or material adverse change shall be true in all respects) at the Effective Time with the same force and effect as if made at and as of the Effective Time;
- (b) each of the covenants, acts and undertakings of the GENIVAR Holding Group to be performed or complied with on or before the Effective Date pursuant to the terms of the Arrangement Agreement and the Arrangement shall have been duly performed or complied with in all material respects;

- (c) prior to the Effective Date, there shall have been no material adverse change in the affairs, operations, financial condition or business of the GENIVAR Holding Group, taken as a whole, from that reflected in the GENIVAR Financial Statements and the GENIFINANCE Financial Statements;
- (d) the Shareholders' Agreement shall have been terminated in accordance with its terms;
- (e) all of the Preferred Shares shall have been redeemed or cancelled in accordance with their terms or agreements with the holders thereof;
- (f) all letters of comfort or guarantees provided by GENIVAR Inc. in support of the loans granted in connection with the employee shareholder financing plan have been cancelled or terminated in accordance with their terms and GENIVAR Inc. shall have no obligation thereunder;
- (g) all pledges granted on the GENIVAR Inc. Common Shares in favour of GENIVAR Inc. or GENIFINANCE shall have been released or cancelled;
- (h) all of the holders of GENIVAR Inc. Common Shares immediately prior to the Effective Time shall have entered into Lock-Up Agreements with New GENIVAR (See "The Arrangement - Procedure for the Arrangement Becoming Effective - Lock-Up Agreements");
- (i) all outstanding security registrations against GENIVAR Inc., its Subsidiaries and GENIFINANCE described in the Arrangement Agreement, shall have been discharged and cancelled prior to the Effective Date, except for the security registrations consented to by the Fund; provided that in providing such consent the Fund shall act in a commercially reasonable manner;
- (j) there shall not be GENIVAR Inc. Shareholders or GENIFINANCE Shareholders that hold, in the aggregate, in excess of 0.75% of all outstanding GENIVAR Inc. Common Shares or GENIFINANCE Shares, as applicable, immediately prior to the Effective Time, that have validly exercised their rights of dissent under the Interim Order and not withdrawn such exercise;
- (k) the Adjusted Net Asset Value shall not to be less than negative \$42,000,000 or more than negative \$1.00 on the Effective Date; and
- (l) the Fund shall have received a certificate from the GENIVAR Holding Group addressed to GENIVAR and dated the Effective Time, signed on behalf of the GENIVAR Holding Group by two senior executive officers of the GENIVAR Holding Group (on their behalf and without personal liability), confirming the above as of the Effective Time.

Additional Conditions to the Obligations of the GENIVAR Holding Group

The obligation of the GENIVAR Holding Group to complete the Arrangement pursuant to the Arrangement Agreement is subject to the satisfaction of, or compliance with, at or prior to the Effective Time, each of the following conditions:

- (a) the representations and warranties of the Fund made in or pursuant to the Arrangement Agreement shall true in all material respects (provided that those representations which are subject to qualifications or limitations as to materiality or material adverse effect or material adverse change shall be true in all respects) at the Effective Time with the same force and effect as if made at and as of the Effective Time;
- (b) each of the covenants, acts and undertakings of GENIVAR to be performed or complied with on or before the Effective Date pursuant to the terms of the Arrangement Agreement and the Arrangement shall have been duly performed or complied with in all material respects;
- (c) prior to the Effective Date, there shall have been no material adverse change in the affairs, operations, financial condition or business of GENIVAR, taken as a whole, from that reflected in this Circular (including the documents incorporated by reference herein); and

- (d) GENIVAR Holding Group shall have received a certificate from the GENIVAR addressed to GENIVAR Holding Group and dated the Effective Time, signed on behalf of GENIVAR by two senior executive officers of GENIVAR GP (on their behalf and without personal liability), confirming the above as of the Effective Time.

Upon the conditions being fulfilled or waived, GENIVAR GP and GENIVAR Inc. intend to file a copy of the Final Order and the Articles of Arrangement with the Director under the CBCA, together with such other materials as may be required by the Director, in order to give effect to the Arrangement.

Any of the above conditions may be waived by the party to the benefit of which such condition is stipulated without the consent of the Court, the Unitholders, the GENIVAR Inc. Shareholders or the GENIFINANCE Shareholders.

Notwithstanding the foregoing, the Arrangement Resolution proposed for consideration by the Unitholders authorizes GENIVAR and the GENIVAR Holding Group, without further notice to or approval of such Unitholders, subject to the terms of the Arrangement, to amend or terminate the Arrangement Agreement or the Plan of Arrangement, with the prior written consent of GENIVAR and the GENIVAR Holding Group, or to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the CBCA, provided that any amendment that changes the consideration to be received by the Unitholders, the GENIVAR Inc. Shareholders and/or the GENIFINANCE Shareholders pursuant to the Arrangement is brought to the attention of the Court before approval of the Final Order and is subject to such requirements as may be ordered by the Court. The full text of the Arrangement Resolution is attached as Appendix A to this Circular.

Lock-Up Agreements

As a condition to the obligation of the Fund to complete the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement, all of the GENIVAR Inc. Shareholders shall have entered, on or before the Effective Date, into Lock-Up Agreements with GENIVAR Inc., the Fund and New GENIVAR. Pursuant to the Lock-Up Agreements, each of the GENIVAR Inc. Shareholders will, among other things, agree not to sell, transfer, or otherwise dispose of the New GENIVAR Shares, to be received pursuant to the Arrangement, directly or indirectly, for a certain period depending of the number of GENIVAR Inc. Common Shares held by such GENIVAR Inc. Shareholder. For holders having more than 20,000 GENIVAR Inc. Common Shares as of the Effective Date and all executive officers of GENIVAR, the lock-up period shall be as follows:

- (a) nine (9) months from the Effective Date in respect of two thirds ($\frac{2}{3}$) of such holder's New GENIVAR Shares, and
- (b) eighteen (18) months from the Effective Date in respect one third ($\frac{1}{3}$) of such holder's New GENIVAR Shares.

As of April 15, 2010, it is expected that approximately 65 GENIVAR Inc. Shareholders will enter into Lock-Up Agreements for a period of eighteen (18) months.

All of the remaining GENIVAR Inc. Shareholders will be subject to the following lock-up period:

- (a) four and a half ($4\frac{1}{2}$) months from the Effective Date in respect of two thirds ($\frac{2}{3}$) of such holder's New GENIVAR Shares, and
- (b) nine (9) months from the Effective Date in respect one third ($\frac{1}{3}$) of such holder's New GENIVAR Shares.

The restrictions on transfers set forth in the Lock-Up Agreements are subject to customary exceptions, including, the execution of a pledge or security interest in connection with a bona fide loan of the GENIVAR Inc. Shareholder, a take-over bid, merger, plan of arrangement or similar transaction made to all holders of New GENIVAR Shares and the death or incapacity of the GENIVAR Inc. Shareholder.

Approval of Long-Term Incentive Plan

Introduction

The Board of Fund Trustees, the Board of Trustees and the Board of GP Directors have approved the Long-Term Incentive Plan, subject to approval of the Voting Unitholders at the Meeting, the GENIVAR Inc. Shareholders at the GENIVAR Meeting and the TSX. The Long-Term Incentive Plan has been drafted to comply with the policies of the TSX as they exist at the date of this Circular. The following information is intended as a summary of the Long-Term Incentive Plan, and is qualified in its entirety by the more detailed provisions of the Long-Term Incentive Plan in the form attached as Appendix I to this Circular.

The Long-Term Incentive Plan is intended to furnish an incentive to officers, senior executives and other employees of New GENIVAR and its Subsidiaries ("**Eligible Participants**", and when such Eligible Participants are granted Options or RSUs, the "**Participants**") to continue their services for New GENIVAR and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of New GENIVAR are necessary to its success.

The Long-Term Incentive Plan will permit the granting of options ("**Options**") and restricted share units ("**RSUs**") to Eligible Participants of New GENIVAR and its Subsidiaries. The Long-Term Incentive Plan will be administered by the board of directors of New GENIVAR or by a committee appointed by a resolution of such board of directors of New GENIVAR (the "**Long-Term Incentive Plan Committee**").

General Terms Applicable to RSUs and Options

A maximum of eight percent (8%) of New GENIVAR Shares is reserved and available for grant and issuable pursuant to the Long-Term Incentive Plan, which represents approximately eight percent (8%) of the Units issued and outstanding immediately after the completion of all transactions contemplated by the Plan of Arrangement. If approved, the Long-Term Incentive Plan will permit the issuance of up to 2,095,488 New GENIVAR Shares, representing eight percent (8%) of the outstanding New GENIVAR Shares as at the Effective Date, assuming there is no adjustment to the GENIVAR Share Conversion Ratio and assuming no Dissent Rights are exercised.

The Long-Term Incentive Plan provides that (i) the aggregate number of New GENIVAR Shares reserved for issuance at any time to any one Eligible Participant shall not exceed four percent (4%) of the issued and outstanding New GENIVAR Shares at such time and that (ii) the aggregate number of New GENIVAR Shares (a) issued to insiders and associates of such insiders under the Long-Term Incentive Plan or any other proposed or established share compensation arrangement within any one-year period and (b) issuable to insiders and associates of such insider at any time under the Long-Term Incentive Plan or any other proposed or established share compensation arrangement, shall not in each case exceed four percent (4%) of the issued and outstanding New GENIVAR Shares.

A Participant's account shall be credited with the equivalent amount of the dividend paid on a New GENIVAR Share for each bookkeeping entry of a RSU (the "**Dividend Equivalent**") in the form of additional fully vested RSUs on each dividend payment date in respect of which normal cash dividends are paid on the New GENIVAR Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per New GENIVAR Share by the number of RSUs recorded in the Participant's account on the record date for the payment of such dividend, by (b) the weighted average trading price of the New GENIVAR Shares on the TSX for the five (5) trading days immediately following the dividend record for the payment of any dividend paid on the New GENIVAR Shares, with fractions computed to three (3) decimal places.

Options or RSUs granted or awarded under the Long-Term Incentive Plan may not be assigned or transferred with the exception of an assignment made to a personal representative of a deceased Participant.

The board of directors of New GENIVAR or the Long-Term Incentive Plan Committee, as the case may be, may in their sole discretion, appoint from time to time one or more entities to act as administrative agent to administer the Options and the RSUs under the Long-Term Incentive Plan.

The board of directors of New GENIVAR will not provide financial assistance to Participants to assist them in exercising their Options, provided, however, that the board of directors of New GENIVAR may, in its discretion, amend the Long-Term Incentive Plan to authorize the administrator under the Long-Term Incentive Plan to make arrangements to provide a form of financial assistance to the Participants.

Specific Terms Related to the Options

The board of directors of New GENIVAR or the Long-Term Incentive Plan Committee will (i) set the term of the Options granted under the Long-Term Incentive Plan which term cannot exceed ten (10) years and (ii) fix the vesting terms of Options as it deems appropriate at the time of the grant of such Options. Should the expiration date for an Option fall within a Black-Out Period or within nine (9) business days following the expiration of a Black-Out Period, the expiry date of the Option shall be extended until that date which is the tenth business day following the end of the Black-Out Period.

The exercise price of any Options granted pursuant to the Long-Term Incentive Plan will be determined by the board of directors of New GENIVAR or the Long-Term Incentive Plan Committee at the time of the grant, provided that the exercise price shall not be less than the market value of the New GENIVAR Shares at the time of the grant which shall be, if the grant is made during a Black-Out Period, the volume weighted average trading price of the New GENIVAR Shares on the TSX for the five (5) trading day period following the last day of such Black-Out Period. If the grant is made outside a Black-Out Period, the market value of the New GENIVAR Shares shall be the volume weighted average trading price of the New GENIVAR Shares on the TSX for the five (5) trading day period ending on the last trading day before the day on which the Option is granted.

Specific Terms Related to the RSUs

RSUs will be granted to Eligible Participants, from time to time, in the sole discretion of the board of directors of New GENIVAR or the Long-Term Incentive Plan Committee.

The board of directors of New GENIVAR or the Long-Term Incentive Plan Committee, as the case may be, will fix the period during which RSUs may vest which period shall not exceed three (3) years after the calendar year in which the RSU is granted (the "**Restriction Period**"). Each RSU grant will be subject to certain vesting conditions, including performance criteria, such conditions to be determined by the board of directors of New GENIVAR or the Long-Term Incentive Plan Committee, as the case may be, and to be provided to the Participant under a separate agreement. The vesting of the RSUs will be subject to the expiration of the performance period which corresponds to the period over which the performance criteria and other vesting conditions will be measured and which shall not end after the Restriction Period (the "**Performance Period**").

The Participant will be entitled to receive, after the vesting determination date, which is the date on which, after the end of the Performance Period, the board of directors of New GENIVAR or the Long-Term Incentive Plan Committee, as the case may be, determines that the vesting conditions (including the performance criteria, if any) are met, but no later than the last day of the Restriction Period (the "**Vesting Determination Date**"), payment for each awarded RSU in the form of New GENIVAR Shares, cash, or a combination of New GENIVAR Shares and cash, at the discretion of the board of directors of New GENIVAR or the Long-Term Incentive Plan Committee, as the case may be. For the purposes of such payment, the market value of New GENIVAR Shares shall be the volume weighted average trading price of the New GENIVAR Shares on the TSX for the five trading day period ending on the last trading day before the day on which the payment is made.

Cessation in Case of Option Grant

Unless the board of directors of New GENIVAR or the Long-Term Incentive Plan Committee decides otherwise, Options granted under the Long-Term Incentive Plan will expire at the earlier of the expiration of the original term of the Option and (i) the effective date of the termination as specified in the notice of termination provided by New GENIVAR to the Participant that its employment has been terminated for cause; (ii) twelve (12) months after the Participant's death; (iii) three (3) years after the Participant's employment has been terminated for reasons other than for "cause" or by reason of injury or disability, after retirement of a Participant (provided that the Participant does not carry on any activities or business in the engineering services business prior to the end of the term of his/her

Options) or after a Participant becoming eligible to receive long-term disability benefits; or (iv) thirty (30) days following the Participant's termination of employment for any other reason.

Cessation in Case of RSU Grant

Unless the board of directors of New GENIVAR or the Long-Term Incentive Plan Committee decides otherwise, upon a Participant's (i) death; (ii) termination of employment for reason of injury or disability; (iii) eligibility to receive long-term disability benefits; (iv) retirement (provided that the Participant does not carry on any activities or business in the engineering services business prior to the Vesting Determination Date); (v) leave of absence for a period of more than six (6) months authorized by New GENIVAR; (vi) termination of employment for reasons other than for "cause" (excluding resignation); the Participant's participation in Long-Term Incentive Plan in respect of RSUs shall be immediately terminated, provided however, that all unvested RSUs shall remain in effect until the applicable Vesting Determination Date. On the Vesting Determination Date or any earlier date as may be determined by the board of directors of New GENIVAR or the Long Term Incentive Plan Committee, the board of directors of New GENIVAR or the Long-Term Incentive Plan Committee will evaluate whether the vesting conditions and performance criteria were met in order to determine the amount of the payment to which the Participant is entitled, if any, in accordance with the following formula:

$$D \quad \text{multiplied by} \quad \frac{E}{F}$$

where:

(i) D is equal to the number of RSUs outstanding in the Participants account, (ii) E is equal to the number of completed months during the applicable Performance Period, as of the date of the Participant's termination, eligibility date to receive long-term disability benefits or retirement (subject to the condition mentioned above), and (iii) F is equal to the total number of months included in the applicable Performance Period.

Upon a Participant's employment being terminated for cause or the Participant's resignation, the Participant's participation in the Long-Term Incentive Plan shall be immediately terminated and all RSUs credited to such Participant's account that have not vested shall be forfeited and cancelled.

Amendment

The board of directors of New GENIVAR has the discretion to make amendments to the Long-Term Incentive Plan which it may deem necessary, without the consent of the Participants, provided that such amendment shall:

- (a) not adversely alter or impair any Option or RSU previously granted except as permitted by the provisions of Long-Term Incentive Plan;
- (b) be subject to any regulatory approvals including, where required, the approval of the TSX; and
- (c) be subject to New GENIVAR Shareholders' approval, where required, by law or the requirements of the TSX, provided that shareholder approval shall not be required for the following amendments and the board of directors of New GENIVAR may make any changes which may include but are not limited to:
 - (i) amendments of a "housekeeping" nature;
 - (ii) a change to the vesting provisions of any Option or RSU;
 - (iii) a change to the termination provisions of any Option or RSU (except in respect of Options or RSUs that are held by an insider) that does not entail an extension beyond the original expiration date (as such date may be extended pursuant to the provisions of Long-Term Incentive Plan);

- (iv) the introduction or amendment of a cashless exercise feature payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Long-Term Incentive Plan reserve;
- (v) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted;
- (vi) a change to the eligible participants of the Long-Term Incentive Plan, including a change which would have the potential of broadening or increasing participation by insiders; and
- (vii) the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the issuer.

The board of directors of New GENIVAR shall be required to obtain shareholder approval to make the following amendments:

- (a) any change to the maximum number of New GENIVAR Shares issuable from treasury under the Long-Term Incentive Plan, including an increase to the fixed maximum number of New GENIVAR Shares or a change from a fixed maximum number of New GENIVAR Shares to a fixed maximum percentage, other than an adjustment pursuant to a change in capitalization;
- (b) any amendment which reduces the exercise price of any Option after the Options have been granted or any cancellation of an Option and the substitution of that Option by a new Option with a reduced price, except in the case of an adjustment pursuant to a change in capitalization;
- (c) any amendment which extends the expiry date of any Option or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;
- (d) any amendment which would allow non-employee directors to be eligible for awards under the Long-Term Incentive Plan;
- (e) any amendment which would permit any Option or RSU granted under the Long-Term Incentive Plan to be transferable or assignable by any Participant other than by will or by the laws of succession of the domicile of a deceased Participant;
- (f) any amendment which increases the maximum number of New GENIVAR Shares that may be issued to (i) insiders and associates of such insiders; or (ii) any one insider and associates of such insider under the Long-Term Incentive Plan or any other proposed or established share compensation arrangement in a one-year period, except in case of an adjustment pursuant to a change in capitalization;
- (g) any amendment to the amendment provisions of the Long-Term Incentive Plan; and
- (h) provided that New GENIVAR Shares held directly or indirectly by insiders benefiting from such amendments shall be excluded when obtaining such shareholder approval.

Impact of a Change of Control

Subject to the provisions contained in any employment agreement between a holder of RSUs and/or Options and New GENIVAR, if (i) any person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding New GENIVAR Shares or the combined voting power of New GENIVAR's then outstanding voting securities entitled to vote generally; (ii) any person acquires, directly or indirectly, securities to which is attached the right to elect the majority of the directors of New GENIVAR; (iii) New GENIVAR undergoes a liquidation or dissolution or sells all or substantially all of its assets; or (iv) New GENIVAR is involved in, or becomes subject to, a reorganization, an amalgamation, an arrangement, a take-over bid (as that term is defined in the *Securities Act* (Québec)) for all of the New GENIVAR Shares or the sale or disposition of all or substantially all of the property and assets of New GENIVAR, the board of directors of New GENIVAR may make such provision

for the protection of the rights of the Participants as the board of directors of New GENIVAR, in its discretion, considers appropriate in the circumstances, including, without limitation, changing the performance criteria and/or the vesting conditions for the Options and/or the date on which any Option expires or the Restricted Period, the Performance Period, the performance criteria and/or the vesting conditions for the RSUs.

Long-Term Incentive Plan Resolution

Provided the Arrangement Resolution is approved, the Voting Unitholders will be asked to consider, and if deemed advisable, to approve at the Meeting the adoption by New GENIVAR of the Long-Term Incentive Plan and pass, with or without variation, the Long-Term Incentive Plan Resolution. To be effective, the Long-Term Incentive Plan must be approved by a majority of the votes cast by the Voting Unitholders voting in person or by proxy at the Meeting. The Long-Term Incentive Plan must also be approved by a majority of the votes cast by GENIVAR Inc. Shareholders voting in person or by proxy at the GENIVAR Meeting. A copy of the proposed Long-Term Incentive Plan Resolution is set forth in [Appendix H](#) to this Circular.

If you do not specify how you want your Voting Units voted, the Named Proxyholders or the other persons names as Proxyholders will cast the votes represented by proxy at the Meeting FOR the Long-Term Incentive Plan Resolution.

Timing of the Arrangement

If the Meeting is held as scheduled and is not adjourned and the other necessary conditions precedent existing at that time are satisfied or waived, GENIVAR GP and GENIVAR Inc., will apply for the Final Order approving the Arrangement on June 14, 2010. If the Final Order is obtained on or about June 14, 2010 in form and substance satisfactory to GENIVAR and the GENIVAR Holding Group and all other conditions set forth in the Arrangement Agreement are satisfied or waived, the Fund expects the Effective Date to be on or about January 1, 2011.

The Arrangement will become effective following the filing with the Director of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director, upon issuance by the Director of the Certificate.

The Fund's objective is to have the Effective Date occur on or about January 1, 2011. The Effective Date could be delayed, however, for a number of reasons but, in any event, the Effective Date shall occur no later than January 10, 2011.

Procedure for Exchange of Units

As the Units trade in the "book entry" system and no certificates are issued to non-registered holders, no certificates for the New GENIVAR Shares will be issued to beneficial holders following the completion of the Arrangement. Beneficial holders of Units do not need to take any action to receive New GENIVAR Shares. On or about the Effective Date, the Fund will deliver to CDS a certificate evidencing the aggregate number of New GENIVAR Shares issued to former Unitholders in connection with the Arrangement. Following the completion of the Arrangement, the New GENIVAR Shares will continue to trade in the "book entry" system and no certificates will be issued to non-registered holders of New GENIVAR Shares, subject only to statutory rights to be issued certificates provided under the CBCA.

Right to Dissent

The following description of the right to dissent and appraisal to which Dissenting Unitholders are entitled is not a comprehensive statement of the procedures to be followed by a Dissenting Unitholder who seeks payment of the fair value of such Dissenting Unitholder's Units and is qualified in its entirety by the reference to the full text of the Interim Order, which is attached to this Circular as [Appendix B](#), and the text of Section 190 of the CBCA, which is attached to this Circular as [Appendix G](#). A Dissenting Unitholder who intends to exercise Dissent Rights and appraisal should carefully consider and comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement. Failure to strictly comply with

the provisions of that section, as modified by the Interim Order and the Plan of Arrangement, and to adhere to the procedures established therein may result in the loss or unavailability of all rights thereunder.

The Interim Order and the Plan of Arrangement expressly provide Unitholders with Dissent Rights with respect to the Arrangement Resolution, as provided in Section 190 of the CBCA as though the Units were shares of a corporation governed by the CBCA, but as modified by the Plan of Arrangement and the Interim Order. Any Unitholder who dissents from the Arrangement in compliance with Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, will be entitled, in the event the Arrangement becomes effective, to be paid by the Fund the fair value of the Units held by such Dissenting Unitholder determined as of the close of business on the last Business Day before the Arrangement Resolution is adopted.

The Interim Order provides that a Unitholder may only exercise Dissent Rights with respect to all the Units held by the Unitholder on behalf of any one beneficial owner and registered in the Unitholder's name. Consequently, a holder of Units may only exercise Dissent Rights under Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, in respect of Units which are registered in that holder's name. Persons who are beneficial owners of Units registered either in the name of (a) an intermediary that the non-registered Unitholder deals with in respect of the Units (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self-administered registered retirement saving plans, registered retirement income funds, registered educational saving plans, and their nominees); or (b) a clearing agency (such as CDS) of which the intermediary is a participant, should be aware that they may only exercise Dissent Rights through the registered owner of such Units. Accordingly, a non-registered Unitholder will not be entitled to exercise Dissent Rights under Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, directly (unless the Units are registered in the non-registered Unitholder's name). A non-registered Unitholder who wishes to exercise Dissent Rights should immediately contact the intermediary with whom the non-registered Unitholder deals in respect of his or her Units and either: (i) instruct the intermediary to exercise the right of dissent on the non-registered Unitholder's behalf (which, if the Units are registered in the name of CDS or other clearing agency, would require that the Units first be registered in the name of the intermediary); or (ii) instruct the intermediary to register the Units in the name of the non-registered Unitholder, in which case the non-registered Unitholder would have to exercise the Dissent Rights directly.

The Interim Order provides that a Unitholder who wishes to exercise Dissent Rights must provide the Fund with a notice of dissent to the Arrangement Resolution, which notice of dissent must be received by the Fund at 1600 René-Lévesque Blvd. West, Montreal, Québec, Canada, H3H 1P9, Attention: Corporate Secretary, by 5:00 p.m. (Montreal time) on the last Business Day preceding the Meeting. It is important that Unitholders strictly comply with this requirement and understand that it is different from the statutory dissent provisions of the CBCA which would permit a notice of dissent to be provided at or prior to the Meeting. The filing of a notice of dissent does not deprive a Unitholder of the right to vote at the Meeting. However, the CBCA provides, in effect, that a Unitholder who has submitted a notice of dissent and who votes in favour of the Arrangement Resolution will be deprived of further rights under Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order. A Unitholder need not vote his or her Units against the Arrangement Resolution in order to dissent. The revocation of a proxy conferring authority on the proxyholder to vote in favour of the Arrangement Resolution does not constitute a notice of dissent; however, any proxy granted by a Unitholder who intends to dissent, other than a proxy that instruct the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such Units in favour of the Arrangement Resolution and thereby causing the Unitholder to forfeit his or her Dissent Rights.

The Fund is required, within ten days after the Unitholders adopt the Arrangement Resolution, to notify each Dissenting Unitholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Dissenting Unitholder who has voted for the Arrangement Resolution or who has withdrawn his or her notice of dissent.

A Dissenting Unitholder who has not withdrawn his or her notice of dissent must then, within 20 days after receipt of notice that the Arrangement Resolution has been adopted or, if the Dissenting Unitholder does not receive such notice, within 20 days after he or she learns that the Arrangement Resolution has been adopted, send to the Fund, at 1600 René-Lévesque Blvd. West, Montreal, Québec, Canada, H3H 1P9, Attention: Corporate Secretary, a demand for payment, containing his or her name and address, the number of Units in respect of which he or she exercises

Dissent Rights, and a demand for payment of the fair value of such Units. Within 30 days after sending a demand for payment, the Dissenting Unitholder must send to the Fund or the Transfer Agent the certificates representing the Units in respect of which he or she dissents. A Dissenting Unitholder who fails to send certificates representing the Units in respect of which he or she dissents forfeits his or her Dissent Rights. The Fund or the Transfer Agent will endorse on any Unit certificate received from a Dissenting Unitholder a notice that the holder is a Dissenting Unitholder and will forthwith return the Unit certificates to the Dissenting Unitholder.

After sending a demand for payment, a Dissenting Unitholder ceases to have any rights as a holder of the Units in respect of which the Unitholder has dissented, other than the right to be paid the fair value of such Units as determined under Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, unless: (i) the Dissenting Unitholder withdraws the demand for payment before the Fund makes the offer to pay; (ii) the Fund fails to make a timely offer to pay to the Dissenting Unitholder and the Dissenting Unitholder withdraws his or her demand for payment; or (iii) the Board of Trustees revokes the Arrangement Resolution, in all of which cases the Dissenting Unitholder's rights as a holder of the Units in respect of which he or she has dissented are reinstated.

The Fund is required, not later than seven (7) days after the later of the Effective Date and the date on which the Fund receives a demand for payment from a Dissenting Unitholder, to send to the Dissenting Unitholder an offer to pay for the Units in respect of which he or she has dissented in an amount considered by the Fund to be the fair value thereof, accompanied by a statement showing the manner in which such fair value was determined. Every offer to pay must be on the same terms. The Fund must pay for the Units of a Dissenting Unitholder within 10 days after an offer to pay has been accepted by such Dissenting Unitholder, but any such offer lapses if the Fund does not receive an acceptance thereof within 30 days after the offer to pay has been made.

If the Fund fails to make an offer to pay for a Dissenting Unitholder's Units, or if a Dissenting Unitholder fails to accept an offer which has been made, the Fund may, within 50 days after the Effective Date or within such further period as the Court may allow, apply to the Court to fix a fair value for the Units of any such Dissenting Unitholder. If the Fund fails to apply to the Court, a Dissenting Unitholder may apply to the Court for the same purpose within a further period of 20 days or within such further period as the Court may allow. A Dissenting Unitholder is not required to give security for costs in such an application.

Upon an application to the Court, all Dissenting Unitholders whose Units have not been purchased by the Fund will be joined as parties and bound by the decision of the Court, and the Fund will be required to notify each affected Dissenting Unitholder of the date, place and consequences of the application and of such Dissenting Unitholder's right to appear and be heard in person or by counsel. Upon any such application to the Court, the Court may determine whether any person is a Dissenting Unitholder who should be joined as a party, and the order will be rendered against the Fund in favour of each Dissenting Unitholder and for the amount of the fair value of his or her Units as fixed by the Court. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Unitholder from the Effective Date until the date of payment. An application by either the Fund or a Dissenting Unitholder must be made to the Court.

The Fund shall not make a payment to a Dissenting Unitholder under Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, if there are reasonable grounds for believing that it is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of its assets would thereby be less than the aggregate of its liabilities. In such event, the Fund shall notify each Dissenting Unitholder that it is lawfully unable to pay Dissenting Unitholders for their Units in which case the Dissenting Unitholder may, by written notice to the Fund within 30 days after receipt of such notice, withdraw his notice of dissent, in which case such Unitholder shall, in accordance with the Interim Order, be deemed to have participated in the Arrangement as a Unitholder. If the Dissenting Unitholder does not withdraw his notice of dissent he will retain his status as a claimant against the Fund to be paid as soon as it is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors but in priority to the securityholders.

All Units held by Dissenting Unitholders will, if the holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to New GENIVAR in exchange for such fair value as of the Effective Date. If such Dissenting Unitholders ultimately are not entitled to be paid the fair value for the Units, such Units will be deemed to have been exchanged for New GENIVAR Shares and such Unitholders will be issued New GENIVAR Shares on the same basis as all other Unitholders pursuant to the Arrangement.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the completion of the Arrangement that, holders of not greater than 2% of the outstanding Units shall have exercised Dissent Rights in respect of the Arrangement and not withdrawn such exercise as of the Effective Date.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Unitholder who seeks payment of the fair value of its Units. Section 190 of the CBCA requires adherence to the procedures established therein and failure to do so may result in the loss or unavailability of all rights thereunder. Accordingly, each Dissenting Unitholder who might desire to exercise Dissent Rights and appraisal should carefully consider and comply with the provisions of that section and the Interim Order, the full texts of which are set out in Appendix G and Appendix B, respectively, to this Circular, and consult their own legal advisor. For a general summary of certain Canadian federal income tax implications to a Dissenting Unitholder, see "Certain Canadian Federal Income Tax Considerations".

Ownership Interests

As at April 15, 2010, the Fund Trustees, the Trustees and the directors and senior officers of GENIVAR GP and GENIVAR LP and their associates, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of approximately 22,679 Units, representing approximately 0.125% of the outstanding Units. Immediately after giving effect to the Arrangement, it is anticipated that the current Fund Trustees, Trustees and the directors and officers of GENIVAR GP and GENIVAR LP and their associates, as a group, would beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 2,523,360 New GENIVAR Shares, representing approximately 9.63% of the outstanding New GENIVAR Shares (based on a GENIVAR Share Conversion Ratio of 0.8929 as of April 15, 2010 and giving effect to the split of the GENIVAR Inc. Common Shares issued and outstanding as of April 15, 2010).

The following table sets forth the name and office for each of the Excluded Unitholders together with the number of Units beneficially owned, or over which control or direction is exercised, by such persons and the expected number of New GENIVAR Shares to be held by such persons on the Effective Date (based on a GENIVAR Share Conversion Ratio of 0.8929 as of April 15, 2010 and giving effect to the split of the GENIVAR Inc. Common Shares issued and outstanding as of April 15, 2010).

Name	Position with GENIVAR and the GENIVAR Holding Group	Number of Units Beneficially Owned or over which Control or Direction is Exercised	Expected Number of New GENIVAR Shares on the Effective Date⁽¹⁾
Pierre Shoiry	President and Chief Executive Officer, Fund Trustee, Trustee and GP Director of GENIVAR and President and Director of GENIVAR Inc.	—	835,126
Ali Etehadieh	Fund Trustee, Trustee, GP Director and Vice President, International and Project services of GENIVAR and Director of GENIVAR Inc.	—	589,160
Marcel Boucher	Chief Financial Officer of GENIVAR and Vice-President, Secretary-Treasurer of GENIVAR Inc.	9,698	151,323
Marc Rivard	Chief Operating Officer of GENIVAR and Director of GENIVAR Inc.	—	10,571

Name	Position with GENIVAR and the GENIVAR Holding Group	Number of Units Beneficially Owned or over which Control or Direction is Exercised	Expected Number of New GENIVAR Shares on the Effective Date ⁽¹⁾
Éric Tremblay	Vice President, Eastern Québec Region of GENIVAR and Director of GENIVAR Inc.	—	528,561
François Perreault	Vice President, Western Québec Region of GENIVAR and Director of GENIVAR Inc.	781	284,031
Brian Barber	Senior Vice President, Greater Toronto Area of GENIVAR	200	200
J. Shawn Gibbons	Senior Vice President, Eastern Ontario of GENIVAR	—	2,266
Faramarz Kordgharachorloo	Senior Vice President, Northern and Western Ontario of GENIVAR	—	11,330
Brian Oshust	Vice President, Alberta of GENIVAR and Director of GENIVAR Inc.	2,000	108,186
François Morton	Vice President, British Columbia of GENIVAR	—	—
Tony Veilleux	Corporate Controller of GENIVAR and Assistant-Secretary of GENIVAR Inc.	311	51,296
William Brandt	Vice President, Manitoba of GENIVAR	—	—
Jeff Reichert	Vice President, Saskatchewan of GENIVAR	—	2,606

(1) Based on a GENIVAR Share Conversion Ratio of 0.8929 as of April 15, 2010 and giving effect to the split of the GENIVAR Inc. Common Shares issued and outstanding as of April 15, 2010.

As at April 15, 2010, GENIVAR Inc., holds, directly or indirectly, an aggregate of 9,060,387 Special Units, which represent 100% of the then outstanding Special Voting Units and 33.35% of the votes attached to all outstanding Units and Special Voting Units. Immediately after giving effect to the Arrangement, it is anticipated that the current GENIVAR Inc. Shareholders, as a group, would beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 8,090,020 New GENIVAR Shares, representing approximately 30.89% of the outstanding New GENIVAR Shares (assuming there is no adjustment to the GENIVAR Share Conversion Ratio).

Expenses of the Arrangement

The estimated costs to be incurred by the Fund with respect to the Arrangement and related matters including, without limitation, financial advisory, accounting and legal fees, and the preparation, printing and mailing of this Circular and other related documents and agreements, are expected to aggregate approximately \$1,500,000.

Stock Exchange Listing

The TSX has conditionally approved the substitutional listing of the New GENIVAR Shares issuable pursuant to the Arrangement to trade on the TSX under the symbol "GNV" after the Effective Date, subject to fulfilling the requirements of such exchange as soon as possible after the Effective Time. Following the Effective Date, the Units will be delisted from the TSX.

Securities Law Matters

Canada

All securities to be issued under the Arrangement, including, without limitation, the New GENIVAR Shares to the Unitholders, will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian securities laws and, following completion of the Arrangement, the New GENIVAR Shares will generally be "freely tradeable" (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) under applicable Canadian securities laws of the provinces and territories of Canada.

The Arrangement is a "business combination" for the Fund as defined in MI 61-101 due to the fact that GENIVAR Inc., a "related party" to the Fund (as defined in MI 61-101) will, as a consequence of the Arrangement, combine with the Fund. Generally, MI 61-101 requires a reporting issuer engaged in a business combination to (i) obtain a valuation of the subject matter of the proposed transaction; and (ii) obtain the approval of the reporting issuer's "minority shareholders" (as that term is defined in MI 61-101).

Pursuant to MI 61-101, in determining whether minority approval for the Arrangement Resolution has been obtained, the Fund is required to exclude the votes cast by persons whose votes may not be included in determining minority approval of a related party transaction pursuant to MI 61-101. As a result, the Fund is required to exclude the votes attaching to the Units beneficially owned or controlled by each of directors and senior officers of GENIVAR Inc. and their affiliated entities for this purpose. To the knowledge of the Fund, such directors and senior officers of GENIVAR Inc. and their affiliates own directly or indirectly, or exercise control or direction over, an aggregate of approximately 12,990 Units as of April 15, 2010. See "The Arrangement – Ownership Interests" for the holdings of each of these directors and officers.

Pursuant to the Engagement Letter, the Special Committee formally engaged KPMG to provide advice and assistance to the Special Committee in connection with the Arrangement and to prepare a formal valuation of the Units of the Fund and the consideration to be received by the Unitholders and GENIVAR Inc. Shareholders pursuant to the Arrangement in accordance with the requirements of MI 61-101. See "Background to and Reasons for the Arrangement – Recommendation", "Background to and Reasons for the Arrangement – Valuation".

United States

The securities to be issued under the Arrangement to Unitholders will not be registered under the 1933 Act. Such securities will be issued in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act. Section 3(a)(10) exempts securities issued in exchange for one or more outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by any court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all Persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court granted the Interim Order on April 23, 2010 and, subject to the approval of the Arrangement by Unitholders, a hearing on the Arrangement will be held on June 14, 2010 by the Court. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the 1933 Act with respect to the New GENIVAR Shares issued in connection with the Arrangement. See "The Arrangement – Procedure for the Arrangement Becoming Effective – Court Approvals – Final Order".

New GENIVAR Shares received by a Unitholder who will be an "affiliate" of New GENIVAR after the Arrangement will be subject to certain restrictions on resale imposed by the 1933 Act. Persons who may be deemed

to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally include executive officers and directors of the issuer as well as 10% or greater shareholders of the issuer.

Persons who are not affiliates of New GENIVAR, and have not been affiliates of New GENIVAR within 90 days of the date of the Arrangement may resell New GENIVAR Shares received pursuant to the Arrangement in the United States without restriction under the 1933 Act.

Any resale of such New GENIVAR Shares by such an affiliate may be subject to the registration requirements of the 1933 Act, absent an exemption therefrom. Subject to certain limitations, such affiliates may immediately resell New GENIVAR Shares outside the United States without registration under the 1933 Act pursuant to Regulation S. Persons who are affiliates of New GENIVAR after the Arrangement may only resell their New GENIVAR Shares in the manner contemplated by Rule 144 under the 1933 Act. Rule 144 generally provides that such affiliates may not sell the New GENIVAR Shares received pursuant to the Arrangement unless pursuant to an effective registration statement or in accordance with the volume, current public information and manner of sale limitations of Rule 144. These limitations generally require that any sales made by an affiliate in any three-month period not exceed the greater of 1% of the outstanding securities of New GENIVAR or, if such securities are listed on a United States securities exchange (such as the NYSE or NASDAQ), the average weekly trading volume over the four calendar weeks preceding the placement of the sell order, and that sales be made in unsolicited, open market "brokers' transactions" (as such term is defined in Rule 144) at times when certain information specified by Rule 144 is publicly available with respect to New GENIVAR.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the securities received upon completion of the Arrangement. **All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.**

Experts

Certain Canadian legal matters relating to the Arrangement are to be passed upon by Stikeman on behalf of the Fund. As at April 22, 2010, the partners and associates of Stikeman who participated in or who were in a position to directly influence any statement made in this Circular, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding Units.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman, counsel for the Fund, the following is a fair and adequate summary of the principal Canadian federal income tax consequences under the Tax Act generally applicable to a Unitholder in respect of the proposed Arrangement who holds Units as capital property, deals at arm's length with and is not affiliated with the Fund, does not use or hold Units in the course of carrying on a business in which the Unitholder buys or sells securities, and did not acquire the Units in one or more transactions considered to be an adventure or concern in the nature of trade. A Unitholder who is a Canadian resident and might not otherwise be considered to hold its Units as capital property may, in certain circumstances, be entitled to have them, and any other "Canadian security" (as defined in the Tax Act), treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. A Unitholder contemplating making such an election should first consult its own tax advisor. This summary is not applicable to a Unitholder that is a "financial institution" or a "specified financial institution", to a Unitholder an interest in which would be a "tax shelter investment", all as defined in the Tax Act, or to a Unitholder that has made a "functional currency" election under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency or that is an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada and elsewhere.

This summary is based upon the facts set out in the Circular, the provisions of the Tax Act and regulations thereunder, the current published administrative policies and assessing practices of the Canada Revenue Agency ("CRA") in force as of the date hereof and specific proposals (the "**Tax Proposals**") to amend the Tax Act publicly announced by the Minister prior to the date hereof. No assurance can be given that the Tax Proposals will be enacted as currently proposed, or at all.

This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, regulatory, administrative or judicial action or decision, and does not take into account any provincial, territorial, or foreign tax consequences which may differ significantly from those discussed herein.

This summary is of a general nature only and should not be construed, nor is it intended to be, legal or tax advice, or representations to any particular Unitholder. Accordingly, a Unitholder should consult with its own tax advisor for advice with respect to the tax consequences to it in its particular circumstances. This summary does not address the Canadian federal income tax consequences applicable to GENIVAR Inc. Shareholders in respect of the proposed Arrangement.

Unitholders Resident in Canada

This portion of the summary is generally applicable to a Unitholder that is, at all relevant times and for the purposes of the Tax Act and any applicable income tax treaty, resident or deemed to be resident in Canada (a "**Resident Unitholder**").

Exchange of Units

Non-Dissenting Unitholders

A Resident Unitholder (other than a Dissenting Unitholder) who disposes of Units in exchange for New GENIVAR Shares pursuant to the Arrangement will be deemed to have disposed of each Unit for proceeds of disposition equal to the "cost amount" (as defined in the Tax Act) of such Unit to the Resident Unitholder immediately before the disposition and to have acquired each New GENIVAR Share received on the exchange at a cost equal to the cost amount to the Resident Unitholder of the particular Unit so exchanged. As a consequence, Resident Unitholders will not realize a capital gain or capital loss on the disposition of their Units to New GENIVAR in exchange for New GENIVAR Shares. The cost amount of a Unit immediately before the disposition will generally be equal to the adjusted cost base (as defined in the Tax Act) of the Units to the Resident Unitholders.

A Resident Unitholder will be required to include an amount in income on the exchange in circumstances where, and to the extent that, either: (i) the fair market value of all New GENIVAR Shares received by the Resident Unitholder on the exchange exceeds the aggregate fair market value of the Resident Unitholder's Units immediately before the exchange; or (ii) the fair market value of the Resident Unitholder's Units immediately before the exchange exceeds the fair market value of all New GENIVAR Shares received by such Resident Unitholder on the exchange, where it is reasonable to regard such excess as a benefit that the Resident Unitholder desired to confer on a person or partnership with whom the Resident Unitholder does not deal at arm's length (within the meaning of the Tax Act) (the "**Benefit Rule**"). No assurance can be given that the CRA or a court will accept the position that the fair market value of a Unit at the time of disposition is equal to the fair market value of a New GENIVAR Share immediately after the disposition.

Dissenting Unitholders

Pursuant to the Arrangement, Units held by Resident Dissenting Unitholders shall be deemed to have been transferred to the Fund and such Resident Dissenting Unitholders shall cease to have any rights as Unitholders other than the right to be paid the fair value of their Units in accordance with the Arrangement. A Resident Dissenting Unitholder will be deemed to have disposed of the holder's Units for proceeds of disposition equal to the amounts payable (except to the extent such amounts represent interest). Such holder will realize a capital gain (or loss) equal to the amount by which such proceeds of disposition net of any reasonable costs of disposition exceed (or are less than) the holder's adjusted cost base of such Units. Interest awarded by a court to a Resident Dissenting Unitholder will generally be included in computing the income of such holder in the year in which it is received. Residents of Canada who are considering exercising their rights of dissent are urged to consult their own tax advisors as to the tax consequences of the Arrangement to them.

To the extent that a Resident Dissenting Unitholder realizes a capital gain pursuant to the Arrangement as discussed above, generally one half of any such capital gain will be included in the holder's income as a capital gain. Subject

to certain specific rules in the Tax Act, one half of any capital loss recognized by such holder on a disposition or deemed disposition of Units must be deducted from any taxable capital gains recognized by the holder in the year of disposition and any undeducted balance may be deducted in any of the three preceding taxation years or carried forward and deducted into any subsequent taxation year and applied against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. Capital gains realized by a Dissenting Unitholder who is an individual or trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Eighty percent (80%) of any capital gain (as opposed to one half) will be included in computing the adjusted taxable income of individual Resident Dissenting Unitholders for purposes of determining liability, if any, for minimum tax.

A Resident Dissenting Unitholder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax of 6 2/3% on certain investment income, including taxable capital gains.

Dividends on New GENIVAR Shares

A New GENIVAR Shareholder that is, at all relevant times and for the purposes of the Tax Act and any applicable income tax treaty, resident or deemed to be resident in Canada (a "**Resident New GENIVAR Shareholder**") will be required to include in computing income for a taxation year any taxable dividends received or deemed to be received on such shareholder's New GENIVAR Shares.

In the case of a Resident New GENIVAR Shareholder that is an individual (other than certain trusts), such taxable dividends will be subject to the gross up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations. Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross up and dividend tax credit regime in accordance with the rules in the Tax Act. Taxable dividends received by a Resident New GENIVAR Shareholder who is an individual (other than certain trusts) may result in such shareholder being liable for minimum tax under the Tax Act. Resident New GENIVAR Shareholders who are individuals should consult their own tax advisors. in this regard.

In the case of a Resident New GENIVAR Shareholder that is a corporation, the amount of any taxable dividend received on the new GENIVAR Shares that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. The Tax Act also imposes a 33 1/3% refundable tax on dividends received by a corporation that is a "private corporation" or "subject corporation" for purposes of Part IV of the Tax Act to the extent that such dividends are deductible in computing the corporation's taxable income. This tax will generally be refunded to the corporation at a rate of \$1.00 for every \$3.00 of taxable dividends paid while it is a private corporation.

Eligibility for Investment

Provided the New GENIVAR Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX), and subject to the provisions of any particular registered plan or account, the New GENIVAR Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans, deferred profit sharing plans, and tax-free savings accounts ("**TFSA**"). Notwithstanding that the New GENIVAR Shares may be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax on the New GENIVAR Shares if the New GENIVAR Shares are a "prohibited investment" for the TFSA and, based on recent Tax Proposals, other adverse tax consequences may result if the New GENIVAR Shares are a "prohibited investment" for the TFSA. New GENIVAR Shares will generally be a "prohibited investment" if the holder of a TFSA does not deal at arm's length with New GENIVAR for purposes of the Tax Act or the holder of the TFSA has a "significant interest" (as defined in the Tax Act) in New GENIVAR or a corporation, partnership or trust with which New GENIVAR does not deal at arm's length for purposes of the Tax Act. GENIVAR Resident Shareholders are advised to consult their own tax advisors in this regard.

Non-Resident Unitholders

This portion of the summary is generally applicable to a Unitholder that is not and is not deemed to be, at all relevant times and for the purposes of the Tax Act and any applicable tax treaty, a resident of Canada and does not use or hold, and is not deemed to use or hold, Units or New GENIVAR Shares received upon the Arrangement in carrying on a business in Canada (a "**Non-Resident Unitholder**").

Exchange of Units

Non-Dissenting Unitholders

A Non-Resident Unitholder (other than a Dissenting Unitholder) who disposes of Units in exchange for New GENIVAR Shares pursuant to the Arrangement will generally not be subject to taxation in Canada on the same basis as a Resident Unitholder. Where the Units held by a Non-Resident Unitholder constitute "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Unitholder, the New GENIVAR Shares received pursuant to the Arrangement will be deemed to be "taxable Canadian property" to the Non-Resident Unitholder and, based on the notice of ways and means motion tabled by the Minister of Finance in the House of Commons on March 22, 2010 and applicable after March 4, 2010 (the "**Budget Proposals**"), such New GENIVAR Shares will be deemed to be "taxable Canadian property" at any time that is within 60 months after the exchange. Based on the Budget Proposals, Units will generally not be considered taxable Canadian property to a Non-Resident Unitholder unless (1) at any time during the 60-month period immediately preceding the disposition of the Units, not less than 25% of the issued units of the Fund were owned by or belonged to the Non-Resident Unitholder, persons with whom the Non-Resident Unitholder did not deal at arm's length or any combination thereof, and (2) at any time during the 60-month period immediately preceding the particular time, more than 50% of the fair market value of such Units was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists.

Where a Non-Resident Unitholder is required to include an amount in income pursuant to the Benefit Rule, such amount will be deemed to be a dividend received by the Non-Resident Unitholder from a corporation resident in Canada for purposes of the Tax Act and will be subject to withholding tax in Canada at a rate of 25% unless such rate is reduced by the terms of an applicable tax treaty.

Dissenting Unitholders

Pursuant to the Arrangement, Units held by a Non-Resident Dissenting Unitholder will be deemed to have been transferred to the Fund and such holder shall cease to have any rights as Unitholders other than the right to be paid the fair value of their Units. A deemed transfer of Units pursuant to a right of dissent will not give rise to any capital gains subject to tax under the Tax Act provided that the Units are not "taxable Canadian property" to the holder for purposes of the Tax Act, or, if the Units are "taxable Canadian property", provided the Non-Resident Dissenting Unitholder is entitled to an exemption under an applicable tax treaty or convention. However, a Non-Resident Dissenting Unitholder may be subject to withholding tax pursuant to Part XIII.2 of the Tax Act on the amount paid in respect of such holder's Units. Any interest awarded by a court and paid or credited to a Non-Resident Dissenting Unitholder will not be subject to Canadian withholding tax provided that such Unitholder deals at arm's length with the Fund for the purposes of the Tax Act and such interest is not "participating debt interest" as such term is defined in the Tax Act. Non-Residents who are considering exercising their rights of dissent are urged to consult their own tax advisors as to the tax consequences of the Arrangement to them.

Dividends on New GENIVAR Shares

Dividends on New GENIVAR Shares paid or credited or deemed under the Tax Act to be paid or credited to a Non-Resident New GENIVAR Shareholder will generally be subject to Canadian withholding tax at a rate of 25% unless such rate is reduced by an applicable tax treaty.

Taxable Capital Gains and Losses on New GENIVAR Shares

A Non-Resident New GENIVAR Shareholder will not be subject to tax under the Tax Act in respect of any capital gain arising on a disposition or deemed disposition of New GENIVAR Shares unless such shares constitute "taxable Canadian property" as defined in the Tax Act of the Non-Resident and the Non-Resident is not otherwise entitled to an exemption under an applicable tax treaty or convention. Generally, New GENIVAR Shares will not constitute taxable Canadian property of a Non-Resident provided that the New GENIVAR Shares are listed on a designated stock exchange (which currently includes the TSX) for the purposes of the Tax Act at the time of disposition and at no time during the 60-month period immediately preceding the disposition of the New GENIVAR Shares 25% or more of the issued shares of any class or series of the capital stock of New GENIVAR were owned by the Non-Resident New GENIVAR Shareholder, by persons with whom the Non-Resident New GENIVAR Shareholder did not deal at arm's length, or by the Non-Resident New GENIVAR Shareholder together with such persons. In addition, based on the Budget Proposals, the New GENIVAR Shares will not constitute "taxable Canadian property" of a Non-Resident New GENIVAR Shareholder provided that at no time during the 60-month period preceding the particular time did such New GENIVAR Shares derive more than 50% of their fair market value directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties", (iii) "timber resource properties", and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the New GENIVAR Shares could be deemed to be taxable Canadian property. If the Units held by a Non-Resident Unitholder were taxable Canadian property of such holder, the New GENIVAR Shares received pursuant to the Arrangement will be deemed to be taxable Canadian property of the Non-Resident New GENIVAR Shareholder and, based on the Budget Proposals, such New GENIVAR Shares will be deemed to be "taxable Canadian property" throughout the period that begins at the time of the exchange and ends on the day that is 60-months after the exchange. **No assurance can be given that the Budget Proposals will be enacted as proposed, or at all.**

OTHER TAX CONSIDERATIONS

This Circular does not address any tax considerations of the Arrangement other than Canadian federal income tax considerations. Unitholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning New GENIVAR Shares after the Arrangement. Unitholders should also consult their own tax advisors regarding Canadian federal, provincial, territorial and local tax considerations applicable to the Arrangement or the holding of New GENIVAR Shares.

RISK FACTORS

An investment in Units and in New GENIVAR Shares is subject to certain risks. Readers should carefully consider the risk factors described under the heading "Risk Factors" in the AIF incorporated by reference in this Circular as well as the risk factors set forth below and elsewhere in this Circular.

Risk Factors Relating to the Arrangement

Conditions Precedent and Required Regulatory and Third Party Approvals

The completion of the Arrangement in the form contemplated by the Arrangement Agreement and the Plan of Arrangement is subject to a number of conditions precedent, some of which are outside the control of the Fund, including, without limitation, receipt of Unitholder Approval at the Meeting, Shareholder Approval at the GENIVAR Meeting, regulatory approvals, approval by the TSX of the listing of the New GENIVAR Shares to be issued pursuant to the Arrangement, approval of the transactions contemplated by the Arrangement by the Fund's lenders, receipt of other material third party consents and the granting of the Final Order. There can be no certainty, nor can the Fund provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Failure to obtain the Final Order on terms acceptable to the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors would likely result in the decision not to proceed with the Arrangement. If any of the

required regulatory and third party approvals cannot be obtained, the Plan of Arrangement may have to be amended in order to mitigate against the negative consequence of the failure to obtain any such approval and, accordingly, the benefits available to Unitholders resulting from the Arrangement may be reduced. Alternatively, in the event that the Plan of Arrangement cannot be amended so as to mitigate against the negative consequences of the failure to obtain a required regulatory or third party approval, the Arrangement may not proceed at all. If the Arrangement is not completed, the market price of the Units may be adversely affected. See "The Arrangement - Procedure for the Arrangement Becoming Effective".

The Anticipated Benefits of the Arrangement May Not be Realized

The Fund is proposing to complete the Arrangement to create the opportunity to realize certain benefits including those set forth under the heading "Background to and Reasons for the Arrangement – Recommendation – Recommendation". A variety of factors, including those risk factors set forth in this Circular and in the documents incorporated by reference herein, may adversely affect the ability to achieve the anticipated benefits of the Arrangement.

Risk Factors Relating to the Combination with the GENIVAR Holding Group

Risk of Future Legal Proceedings Associated with Completed Projects as part of the General Contracting Business

The GENIVAR Holding Group historically carried on the General Contracting Business. As such, the GENIVAR Holding Group may be threatened from time to time with, or named as a defendant in, or may become subject to various legal proceedings related to completed projects as part of the General Contracting Business. Defending lawsuits of this nature could materially adversely affect the financial condition of the GENIVAR Holding Group and, following the completion of the Arrangement, of New GENIVAR. The GENIVAR Holding Group does not maintain any insurance to cover any contracting-related risk once a project has been completed. Any such claims may produce negative publicity that could hurt their reputation and business. A significant judgment against the GENIVAR Holding Group or, following the completion of the Arrangement, New GENIVAR or the imposition of a significant fine or penalty as a result of a finding that the GENIVAR Holding Group has failed to comply with laws or regulations could have a material adverse effect on the business, financial condition and results of operations of the GENIVAR Holding Group or, following the completion of the Arrangement, New GENIVAR and may also affect the ability of New GENIVAR to declare dividends on the New GENIVAR Shares following completion of the Arrangement.

Potential Undisclosed Liabilities

In connection with the combination of the GENIVAR Holding Group with GENIVAR, GENIVAR has completed a due diligence investigation of the assets and liabilities of the GENIVAR Holding Group. There may be liabilities that GENIVAR failed to or was unable to discover in its due diligence and New GENIVAR may not be indemnified for some or all of these liabilities following the completion of the Arrangement. In particular, the GENIVAR Holding Group may have liabilities related to its former activities as part of the General Contracting Business and New GENIVAR, as successor entity of the GENIVAR Holding Group, may be legally and financially responsible for these liabilities. Although the Arrangement Agreement includes an indemnification mechanism in favour of New GENIVAR, New GENIVAR's right to indemnification is subject to certain limitations, as described under "The Arrangement – Arrangement Agreement – Dividend Amount". The discovery of any material liabilities could have a material adverse effect on the business, financial condition and results of operations of New GENIVAR and its ability to declare dividends on the New GENIVAR Shares.

Risk Factors Relating to GENIVAR and the Industry

Certain risk factors relating to the activities of the Fund and its Subsidiaries, and the industry in which they operate are contained in the AIF, which is incorporated herein by reference. Such risk factors will be applicable to New GENIVAR and include, without limitation, competition; GENIVAR's ability to maintain profitability and manage growth; GENIVAR's reputational risk; GENIVAR's reliance on key professionals; shortage of engineers; competition in the industry; GENIVAR's possible acquisitions and integrations; reduction of backlog; geographic

concentration and dependence on economic conditions; fixed-price negotiated fee contracts; GENIVAR's dependence on clients; increased assumption of risk by GENIVAR; risk of future legal proceedings; GENIVAR's insurance limits; GENIVAR's additional capital requirements; GENIVAR's accounts receivables; reduction in the scope of environmental regulations; GENIVAR's international operations which are subject to numerous risks; dependence upon the Trust and GENIVAR LP; cash distributions are not guaranteed and will fluctuate with the GENIVAR Engineering Services Business performance; nature of Units; unpredictability and volatility of Unit price; the fact that the Fund is not a corporation; redemption of Units; distribution of securities on redemption or termination of the Fund; leverage and restrictive covenants; income tax matters; enforcement of indemnities under the Subscription Agreement; limitation of non-resident ownership; restrictions on potential growth; dilution; conversion to corporate structure; ownership interest of GENIVAR Inc. and potential conflict of interest; and unitholder's liability. See "Risk Factors" in the AIF.

Risk Factors Relating to New GENIVAR

Risk factors related to the business of the Fund and its Subsidiaries and the industry in which they operate will continue to apply to New GENIVAR after the Effective Date and will not be affected by the Arrangement. See "Risk Factors – Risks related to the GENIVAR Engineering Services Business and the Engineering Services Industry" in the AIF, which is incorporated by reference in this Circular.

Moreover, the following is a list of certain additional risk factors relating to the activities of New GENIVAR and its Subsidiaries and the ownership of New GENIVAR Shares following the Effective Date which prospective investors should carefully consider before voting with respect to the Arrangement:

- (a) the uncertainty of the implementation of a dividend policy by New GENIVAR and of future payments of dividends by New GENIVAR and the level thereof as such dividend policy will be subject to the entire discretion of the board of directors of New GENIVAR and any decision related to the payment of dividends will be made by the board of directors of New GENIVAR and dependent upon, among other things, New GENIVAR's earnings, financial requirements for New GENIVAR's operations, the satisfaction of solvency tests for the declaration and payment of dividends pursuant to the CBCA and other conditions existing from time to time, including in the event of the completion of a material acquisition by New GENIVAR;
- (b) the level of New GENIVAR's indebtedness from time to time could impair New GENIVAR's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise;
- (c) New GENIVAR may make future acquisitions or enter into financings or other transactions involving the issuance of securities of New GENIVAR which may be dilutive; and
- (d) the inability of New GENIVAR to manage growth effectively could have a material adverse impact on its business, operations and prospects.

INFORMATION CONCERNING THE FUND

Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of GENIVAR, at 1600 René-Lévesque Blvd. West, 16th Floor, Montreal, Québec, Canada, H3H 1P9, telephone: (514) 340-0046 and are also available electronically at www.sedar.com. For the purpose of the Province of Québec, this Circular contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Corporate Secretary of the Fund at the above noted address and telephone number and is also available electronically at www.sedar.com.

The following documents of the Fund, filed by the Fund with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Circular:

- (a) the AIF;
- (b) the Financial Statements;
- (c) the Management's Discussion and Analysis; and
- (d) the material change report with respect to the Arrangement dated April 21, 2010.

Any documents of the type referred to above as well as any business acquisition reports and any material change reports (excluding confidential material change reports) subsequently filed by the Fund with securities regulatory authorities in Canada, after the date of this Circular and prior to the completion or withdrawal of the Arrangement, shall be deemed to be incorporated by reference in this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded.

INFORMATION CONCERNING THE GENIVAR HOLDING GROUP

Name, Address and Incorporation

GENIVAR Inc. was amalgamated on May 26, 2006 pursuant to the provisions of the CBCA.

GENIFINANCE was incorporated on June 20, 2006 pursuant to the provisions of the CBCA.

The principal and head office of GENIVAR Inc. and GENIFINANCE is located at 1600 René-Lévesque Blvd. West, Montreal, Québec, Canada, H3H 1P9.

Business of the GENIVAR Holding Group

Historically, the GENIVAR Engineering Services Business had been carried out by the GENIVAR Holding Group in conjunction with the General Contracting Business. In the context of the Initial Public Offering of the Fund which occurred on May 25, 2006, GENIVAR Inc. sold the GENIVAR Engineering Services Business to the Fund and retained the General Contracting Business. In July 2007, the GENIVAR Holding Group decided to exit the General Contracting Business. Consequently, there was a progressive diminution of the projects with construction companies controlled by GENIVAR Inc. As of the date hereof, the GENIVAR Holding Group has completed all of its projects related to the General Contracting Business, does not carry on any business or activities and, except for its interest in GENIVAR, does not have material assets or liabilities. See "Information Concerning the GENIVAR Holding Group – Interest in the Fund". As a result of the termination of its construction activities, the GENIVAR Holding Group is a holding structure through which, as at April 15, 2010, its 460 shareholders, all of which are employees of GENIVAR, hold a 33.35% indirect interest in the Fund.

The pro forma financial statements of the Fund, giving effect to the Arrangement, including the combination of the GENIVAR Holding Group with GENIVAR, are attached as Appendix F to this Circular.

Interest in the Fund

On April 15, 2010, GENIVAR Inc. held directly or indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Exchangeable LP Units, which represent a 33.35% indirect ownership of the Units, assuming the conversion of all such Exchangeable LP Units into Units, but which, except through the ownership of Special Voting Units, do not provide rights to vote to GENIVAR Inc. for the purpose of the Meeting. As at April 15, 2010, GENIVAR Inc. held directly or indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Special Voting Units, which represent 100% of the then currently outstanding Special Voting Units and 33.35% of the votes attached to all outstanding Units and Special Voting Units.

Pursuant to the terms of the Securityholders' Agreement, GENIVAR Inc. is entitled to appoint three (3) members to the Board of Fund Trustees, Trustees and GP Directors. See "Annual Business of the Meeting – The Nominee Fund Trustees, Trustees and GP Directors". The Securityholders' Agreement will be terminated pursuant to the Arrangement, as a consequence of which there will no longer exist any such appointment rights.

Principal Shareholders

As at April 15, 2010, Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, Marc Rivard, Éric Tremblay, François Perreault, Brian Barber, Shawn Gibbons, Faramarz Kordgharachorloo, Brian Oshust, François Morton, William Brandt and Jeff Reichert, as a group, owned directly a 31.7% equity interest in GENIVAR Inc., which directly or indirectly owned a 33.35% interest in GENIVAR LP. All of the GENIVAR Inc. Shareholders are subject to the Shareholders' Agreement providing for their rights and obligations in GENIVAR Inc.

Directors and Executive Officers of GENIVAR Inc.

The board of directors of GENIVAR Inc. is composed of Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, Éric Tremblay, Marc Rivard, François Perreault and Brian Oshust. The executive officers of GENIVAR Inc. are Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, Marc Rivard, Éric Tremblay, François Perreault, Brian Barber, Shawn Gibbons, Faramarz Kordgharachorloo, Brian Oshust, François Morton, William Brandt and Jeff Reichert.

INFORMATION CONCERNING NEW GENIVAR

Unless otherwise noted, the disclosure in this section "Information Concerning New GENIVAR" has been prepared assuming that the Arrangement has been effected. New GENIVAR will be the publicly listed corporation resulting from the reorganization of the Fund's income trust structure into a corporation pursuant to the Arrangement and the combination of the GENIVAR Holding Group with GENIVAR.

Corporation Structure

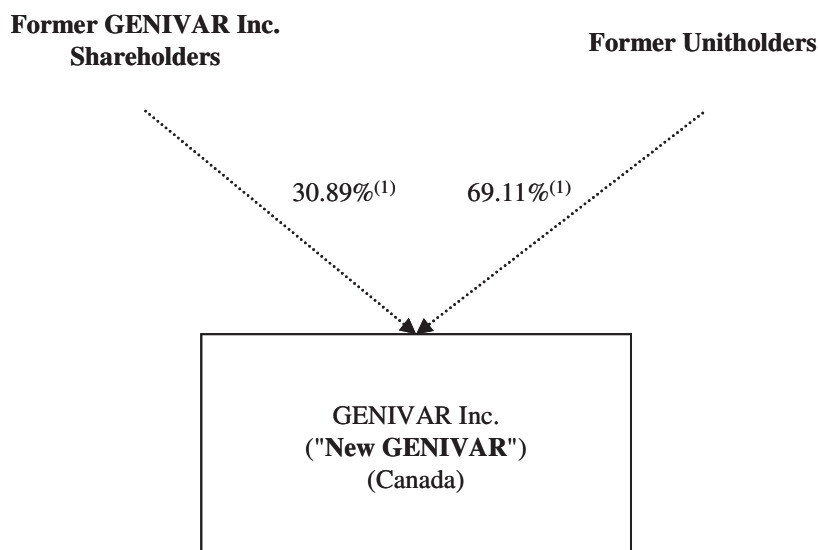
Name, Address and Incorporation

New GENIVAR will be a corporation amalgamated under the CBCA and will be the resulting entity of the amalgamation of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario pursuant to the Plan of Arrangement. The principal and head office of New GENIVAR will be located at 1600 René-Lévesque Blvd. West, Montreal, Québec, Canada, H3H 1P9.

New GENIVAR will be governed by the CBCA and rights and responsibilities as a shareholder of New GENIVAR will be different than they were as a Unitholder. Unitholders should seek advice from their professional advisors.

Organizational Structure of New GENIVAR

The following diagram sets forth the organizational structure of New GENIVAR immediately following completion of the Arrangement.



(1) Assuming there is no adjustment to the GENIVAR Share Conversion Ratio.

Business of New GENIVAR

If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a public corporation to be named "GENIVAR Inc." and the combination of the GENIVAR Holding Group with GENIVAR.

On the Effective Date, New GENIVAR will become a reporting issuer in all Canadian provinces and territories and will become subject to the informational reporting requirements under the securities laws of such provinces as a result of the Arrangement.

The TSX has conditionally approved the substitutional listing of the New GENIVAR Shares issuable pursuant to the Arrangement to trade on the TSX under the symbol "GNV" after the Effective Date, subject to fulfilling the requirements of such exchange as soon as possible after the Effective Time.

The Fund currently carries on the GENIVAR Engineering Services Business. The GENIVAR Holding Group is effectively a holding group through which its shareholders, all of which are employees of GENIVAR, hold a 33.35% indirect interest in the Fund. The GENIVAR Holding Group does not carry on any business or activities and, except for its interest in GENIVAR, does not have material assets or liabilities.

In the event the Arrangement is completed, the business of the Fund will continue to be carried on by New GENIVAR as before the Effective Date. For a detailed description of the historical development of the business of the Fund and of the Fund's business, which will continue to be carried on by New GENIVAR if the Arrangement is implemented, see the sections entitled "General Development of the Business" and "Business of GENIVAR" in the AIF.

New GENIVAR's financial position, risks and outlook will be substantially the same as those outlined in the Management's Discussion and Analysis incorporated by reference in the Circular. The pro forma financial

statements of the Fund, giving effect to the Arrangement and the related transactions, are included at [Appendix F](#) to this Circular.

Growth Strategy of New GENIVAR

In the event the Arrangement is completed, New GENIVAR intends to pursue the Fund's strategic vision and mission to leverage its core competencies to maintain its leading position in the Canadian engineering services market. Accordingly, New GENIVAR's growth strategy, both organic and from acquisitions, will be focused around five main initiatives which have been instrumental in GENIVAR's past success. First, New GENIVAR intends to continue GENIVAR's full-service offerings in order to satisfy clients seeking optimal and cost-effective solutions for their projects. Second, New GENIVAR intends to enhance its relationships with existing clients of GENIVAR by leveraging the cross-selling of services and to continue to seek to attract new clients. Third, New GENIVAR intends to pursue selective acquisitions in order to consolidate its solid position in Quebec, expand its business across Canada and expand its Caribbean operations. Fourth, New GENIVAR intends to continue to focus on successfully integrating acquired businesses with existing operations. Fifth, New GENIVAR intends to continue GENIVAR's international development.

New GENIVAR's strategy related to international development will be focused around three main initiatives. First, New GENIVAR intends to continue to consolidate and expand GENIVAR's Caribbean operations and explore opportunities in other emerging countries such as Algeria where it opened an office in 2009. Secondly, New GENIVAR intends to continue to follow and support GENIVAR's Canadian clients in their international development and finally, New GENIVAR intends to examine opportunities to expand GENIVAR's global reach and pursue its geographic diversification through acquisitions in industrialized countries (such as the United States).

By pursuing this growth strategy, GENIVAR believes New GENIVAR will be better positioned to capture economies of scale, undertake large and diverse assignments across new and broader geographic areas, leverage its technical expertise, increase the scope of services provided to existing clients, and build durable relationships with clients to meet their various needs.

Competitive Strengths of New GENIVAR

In the event the Arrangement is completed, New GENIVAR will continue to carry on the business of GENIVAR and will benefit from the same competitive strengths as those of GENIVAR. GENIVAR believes New GENIVAR will possess the following competitive strengths.

Recurring Revenue from a Full-Service offering to a Stable, Diversified and Well-Established Client Base

Following completion of the Arrangement, it is expected that New GENIVAR will have a stable, diversified and well-established client base that includes major Canadian organizations in the private and public sectors. New GENIVAR's business is not expected to be dependent on any one client. During the year ended on December 31, 2009, none of GENIVAR's customers represented 10% of GENIVAR's consolidated revenues. It is anticipated that New GENIVAR will be generally less vulnerable to specific market slowdowns because of the broad base of operating market segments and the nature of services it contemplates to provide throughout every project execution phase, from planning to maintenance.

Sustained Growth and Track Record of Successful Acquisitions and Integrations

GENIVAR has been able to maintain a sustained growth through both organic initiatives and acquisitions. GENIVAR's revenues have grown from \$387,803,000 for the year ended December 31, 2008 to \$477,924,000 for the year ended December 31, 2009. Organic growth was achieved by attracting motivated, talented and experienced professionals to GENIVAR's team, by obtaining larger assignments through the leveraging of its leadership position in its markets and by capitalizing on its integrated full-service offering to increase work opportunities through its existing client base. GENIVAR also has a track record of successful acquisitions and integrations, as measured by the growth of its workforce, revenues and profitability over the last few years.

In the current fiscal year and over the five preceding years, GENIVAR has completed 51 acquisitions and integrated approximately 2,200 new employees. GENIVAR has been selective in its acquisition strategy, only pursuing acquisitions that were expected to generate synergies or that did not involve significant integration issues.

Talented and Experienced Workforce with a Solid Reputation

Overall, GENIVAR's managers and professionals average approximately 18.5 years of experience in their respective fields. The strong involvement of its managers and professionals within their local communities has constituted a competitive advantage over other engineering services firms when bidding for various mandates. GENIVAR's track record of successful project completion and the number of awards won over the last years have, in the view of GENIVAR, built GENIVAR's reputation as a leading engineering services firm in all the market segments in which it operates.

New GENIVAR's managers and professionals team will be constituted of the same individuals that will be part of GENIVAR's team immediately prior to the Effective Time.

Description of Capital Structure

The authorized share capital of New GENIVAR consists of an unlimited number of New GENIVAR Shares.

Common Shares

Holders of New GENIVAR Shares will be entitled to one vote per share at meetings of New GENIVAR Shareholders to receive dividends if, as and when declared by the board of directors of New GENIVAR and to receive *pro rata* the remaining property and assets of New GENIVAR upon its dissolution or winding-up, subject to the rights of shares having priority over the New GENIVAR Shares. Holders of New GENIVAR Shares may make use of various shareholder remedies available pursuant to the CBCA.

Pro Forma Consolidated Capitalization

The following table sets forth the unaudited pro forma capitalization of New GENIVAR as at December 31, 2009 after giving effect to the Arrangement.

(in thousands of dollars, except the number of units/shares)	The Fund (audited)	PRO FORMA adjustments (unaudited)	NEW GENIVAR (unaudited)
Balances payable to former shareholders	—	9,218	9,218 ⁽¹⁾
Balances of purchase price payable	1,768	—	1,768
Long-term debt	5,670	—	5,670
Promissory notes	—	10,500	10,500 ⁽¹⁾
Future income tax liabilities	3,695	12,968	16,663 ⁽¹⁾⁽²⁾
Non-controlling interest	128,361	(128,361)	— ⁽³⁾
Shareholders'/Unitholders' Equity			
Capital stock	—	495,976	495,976 ⁽⁴⁾
Fund units	275,065	(275,065)	— ⁽⁴⁾
Retained Earnings (deficit)	2,329	(18,888)	(16,559) ⁽²⁾⁽⁵⁾
Total Shareholders'/ Unitholders' Equity	277,394	202,023	479,417

(in thousands of dollars, except the number of units/shares)	The Fund (audited)	PRO FORMA adjustments (unaudited)	NEW GENIVAR (unaudited)
Number of units/shares			
Basic and Diluted weighted average number of units	24,131,573		n/a
Total units/shares outstanding as at December 31, 2009	27,163,976	(893,622)	26,270,354

- (1) Reflecting balances arising from the GENIVAR Holding Group. The acquisition of New GENIVAR by the Fund has been accounted for as a reverse takeover transaction using the purchase method and accordingly, all the assets and liabilities have been recorded at their estimated fair value.
- (2) Reflecting income taxes as a result of the reorganization of the Fund's income trust structure into a public corporation.
- (3) Reflecting the elimination of the non-controlling interest which are not carried forward following the reverse takeover transaction.
- (4) Reflecting the exchange of Units and GENIVAR Inc. Common Shares for New GENIVAR Shares pursuant to the Plan of Arrangement.
- (5) Reflecting the estimated transaction-related costs.

See the pro forma financial statements of the Fund attached at [Appendix F](#) to this Circular.

Dividend Policy

New GENIVAR has not declared or paid any dividends since its incorporation and will not declare any dividends prior to completion of the Arrangement.

Following completion of the Arrangement, it is anticipated that New GENIVAR will implement a dividend policy that will enable New GENIVAR to pay regular dividends whereby it will initially pay a quarterly dividend of \$0.375 (\$1.50 per annum) per New GENIVAR Share. Provided the Arrangement is approved by holders of Units at the Meeting, the first quarterly dividend is anticipated to be declared in respect of the quarter ended March 31, 2011 and paid on or about April 15, 2011. Any decisions to pay dividends on the New GENIVAR Shares will be made by the board of directors of New GENIVAR based on, among other things, New GENIVAR's earnings, financial requirements for New GENIVAR's operations, the satisfaction of applicable solvency tests for the declaration and payment of dividends and other conditions existing from time to time. As such, the board of directors of New GENIVAR will have the entire discretion to modify the dividend policy from time to time. **As a result, no assurance can be given as to whether New GENIVAR will pay dividends, or the frequency or amount of any such dividend.** See "Risk Factors".

Long-Term Incentive Plan

The Long-Term Incentive Plan will be considered by Voting Unitholders for approval at the Meeting and by GENIVAR Inc. Shareholders at the GENIVAR Meeting. A copy of the Long-Term Incentive Plan is set out in [Appendix I](#) to the Circular and a detailed description of the Long-Term Incentive Plan, is provided under the heading "The Arrangement – Approval of Long-Term Incentive Plan".

Prior Sales

As New GENIVAR is the result of the amalgamation of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario pursuant to the Arrangement, there will be no issuance of any securities from New GENIVAR's share capital prior to the Effective Date. The New GENIVAR Shares will be issued to the Unitholders (other than the Dissenting Unitholders) and the GENIVAR Inc. Shareholders on the Effective Date in consideration for the transfer of their Units and GENIVAR Inc. Common Shares, respectively, to New GENIVAR as part of the Arrangement.

Principal Shareholders

To the knowledge of GENIVAR as of the date hereof, no person or company will beneficially own, directly or indirectly, or exercise control over, securities of New GENIVAR carrying more than 10% of the voting rights attached to any class of voting securities of New GENIVAR following completion of the Arrangement. See

"General Proxy Matters – Principal Voting Unitholders" for a description of the current principal Voting Unitholders of the Fund. See also "The Arrangement – Ownership Interests" for the expected holdings of New GENIVAR Shares by the Excluded Unitholders.

Directors and Executive Officers of New GENIVAR

The board of directors of New GENIVAR will be comprised of the members of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors immediately prior to the Effective Time. The directors of New GENIVAR shall hold office until the next annual meeting of New GENIVAR Shareholders or until their respective successors have been duly elected or appointed. See "Annual Business of the Meeting – The Nominee Fund Trustees, Trustees and GP Directors" and "Annual Business of the Meeting – Certain Proceedings".

Upon completion of the Arrangement, the members of senior management of GENIVAR immediately prior to the Effective Time will be the senior management of New GENIVAR. See "Management, Trustees and Directors" in the AIF.

Statement of Governance Practice

After completion of the Arrangement, the governance policies and practices of the Fund currently in place for the benefit of Voting Unitholders, including the Audit Committee, the Corporate Governance, Nominating and Compensation Committee and the Risk Committee, will be revised if, as and when applicable to reflect the reorganization of the Fund into New GENIVAR and the combination of the GENIVAR Holding Group with GENIVAR, without any diminution to the benefits and protections to the New GENIVAR Shareholders and in compliance with applicable laws. See "Annual Business of the Meeting – Statement of Governance Practice", "Annual Business of the Meeting – Committees" and "[Appendix K](#)".

Statement of Executive Compensation

To date, New GENIVAR has not carried on any active business. No compensation has been paid by New GENIVAR to its executive officers or directors and none will be paid until after the Arrangement is completed. The proposed directors and executive officers of New GENIVAR following completion of the Arrangement are currently compensated by GENIVAR.

For detailed information on the compensation of executive officers and directors of GENIVAR, please refer to the sections entitled "Annual Business of the Meeting – Statement of Executive Compensation".

Compensation Program of New GENIVAR

Going From an Ownership Platform to a Leadership Platform

As at April 15, 2010, GENIVAR Inc. was held by 460 shareholders all of which are employees of GENIVAR. As at April 15, 2010, GENIVAR Inc. held directly or indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Special Voting Units and Exchangeable LP Units, which represent 100% of the then currently outstanding Special Voting Units and 33.35% of all Voting Units. Through the issuance of shares of GENIVAR Inc., GENIVAR Inc. Shareholders may benefit from a discount when purchasing an indirect interest in Units, as well as from favorable taxation treatment on dividends. As a result of the Arrangement, GENIVAR Inc. Shareholders will become New GENIVAR Shareholders. Several measures will be put in place following completion of the Arrangement to continue to attract and retain key talent. Such measures are expected to include:

- (a) an employee share ownership plan (the "ESOP");
- (b) an adjusted annual bonus policy;
- (c) the Long-Term Incentive Plan, assuming it is approved at the Meeting and at the GENIVAR Meeting;

- (d) a deferred share unit plan (the “**DSU Plan**”); and
- (e) a reinforcement of leadership development initiatives for key employees.

In addition, New GENIVAR intends to adopt the following minimum ownership policy for certain executive officers of New GENIVAR following completion of the Arrangement:

Position⁽¹⁾	Commitment⁽²⁾
Chief Executive Officer	4 times his/her base salary ⁽³⁾
Chief Financial Officer	2 times his/her base salary
Chief Operating Officer	3 times his/her base salary
Vice-Presidents	1 time their base salary
Founding Vice-Presidents ⁽⁴⁾	5 times their base salary for as long as they hold their position

- (1) The individuals subject to the minimum ownership policy shall have 5 years to build their position.
- (2) The required ownership shall be adjusted in accordance with any increase or decrease of the base salary.
- (3) Pierre Shoiry has committed to 8 times his base salary as long as he holds his position.
- (4) Éric Tremblay, Ali Ettehadieh and François Perreault

Objectives of the compensation program of New GENIVAR

After completion of the Arrangement, New GENIVAR's compensation policy is expected to continue aiming to attract, develop, motivate and retain highly talented individuals with the technical and leadership skills and competencies to sustain profitable growth over the long-term.

The policy is expected to focus on talent identification and leadership development at all levels of the organization. At the management and leadership levels, emphasis is expected to be placed on alignment with shareholders' interests. The Long-Term Incentive Plan, assuming it is approved at the Meeting and at the GENIVAR Meeting, is an important component of the compensation policy. Following completion of the Arrangement, New GENIVAR also intends to adopt the DSU Plan and the ESOP. Collectively, the Long-Term Incentive Plan, the DSU Plan and the ESOP are expected to align employees' and shareholders' interests and help support executives' attainment of minimum ownership policy that is intended to be adopted by New GENIVAR following the completion of the Arrangement, the particulars of which are set out above.

Description of the Compensation Program

Following completion of the Arrangement, the compensation program of New GENIVAR is expected to be comprised of the following elements of pay: (i) a competitive base salary, (ii) an annual bonus opportunity based on the achievement of pre-determined performance objectives; (iii) group insurance and deferred profit sharing plan benefits; (iv) the ESOP; (v) the Long-Term Incentive Plan; and (vi) the DSU Plan.

Base Salary: The base salary component is anticipated to remain in line with the current base salary policy of the Fund. See "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Base Salary".

Annual Bonus: The annual bonus component is expected to follow guidelines similar to those of the short-term incentive plan currently in place for key personnel of the GENIVAR Engineering Services Business. See "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Short-Term Incentive Plan". The maximum bonus opportunity for certain key personnel is expected to be slightly increased, which will be aimed at providing a better alignment with the market.

Group Insurance and Deferred Profit-Sharing Plan: This component is anticipated to remain substantially similar to the current group insurance and deferred profit-sharing plan covering of all the employees of GENIVAR. See "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Group Insurance and Deferred Profit Sharing Plan Benefits".

ESOP: Following completion of the Arrangement, New GENIVAR intends to implement an ESOP in which it is expected all employees will be entitled to participate on a voluntary basis.

Long-Term Incentive Plan: It is anticipated, subject to approval of the Long-Term Incentive Plan by the Unitholders at the Meeting and the GENIVAR Inc. Shareholders at the GENIVAR Meeting, that eligible participants will be granted Options and RSUs under the Incentive Plan after completion of the Arrangement.

DSU Plan: It is anticipated that, following the Effective Date, New GENIVAR will adopt a DSU Plan, providing for the issuance of deferred share units to eligible participants.

Indebtedness of Directors and Executive Officers

As at April 15, 2010, New GENIVAR had not made any loan to proposed directors and officers of New GENIVAR, Fund Trustees, GP Directors, employees or former officers, directors and employees of GENIVAR, the Fund or the Trust.

Legal Proceedings and Regulatory Actions

Other than the proceedings relating to the approval of the Plan of Arrangement, there are no legal proceedings to which New GENIVAR is a party or in respect of which any of their assets are the subject matter, which is material to New GENIVAR and New GENIVAR is not aware of any such proceedings that are contemplated. In the event the Arrangement is completed, the business of GENIVAR will continue to be carried on by New GENIVAR as before the Effective Date. See "Legal Proceedings" in the AIF.

Interest of Informed Persons in Transactions

Except as disclosed elsewhere herein, no director, senior officer or other insider, as applicable, of New GENIVAR, nor any associate or affiliate of the foregoing persons has any substantial interest, direct or indirect, in any material transaction.

Auditors, Transfer Agent and Registrar

The independent auditors of New GENIVAR will be the independent auditors of the Fund immediately prior to the Effective Time.

The transfer agent and registrar for the New GENIVAR Shares will be CIBC Mellon Trust Company at its principal transfer office in Montreal, Québec.

Material Contracts

For a description of material contracts of the Fund and/or its Subsidiaries, see the section entitled "Material Contracts" in the AIF.

ANNUAL BUSINESS OF THE MEETING

Annual Business

The Meeting will be constituted as an annual as well as a special meeting. As part of the annual business set out in the Notice of Meeting, Voting Unitholders the following items will be covered:

- (a) presentation to Voting Unitholders of the Financial Statements;
- (b) election of certain Fund Trustees, Trustees and GP Directors who will serve until the Effective Date of the Arrangement or, if the Arrangement is not completed, until the next annual Voting Unitholder Meeting or until their successors are appointed;
- (c) appointment of the auditors of the Fund and authority granted to fix their remuneration; and

- (d) consideration of such other business, if any, that may properly come before the Meeting or any adjournment thereof.

As at the date of this Circular, the Fund Trustees are not aware of any changes to these items, and do not expect any other items to be brought forward at the Meeting as part of the annual business of the Meeting. If there are changes or new items, your Proxyholder can vote your Voting Units on these items as he or she sees fit.

Presentation of the Financial Statements

The Financial Statements are included in our 2009 annual report which is available on SEDAR at www.sedar.com. Copies of such statements will also be available at the Meeting.

Election of certain Fund Trustees, of certain Trustees and of certain GP directors

Five (5) individuals are to be elected as Fund Trustees, as Trustees and as GP Directors. Pursuant to the Securityholders' Agreement (as defined herein), the Board of Fund Trustees, and the Board of Trustees and the Board of GP Directors shall be composed of the same individuals.

The Fund Trustees are elected by the Voting Unitholders annually and the individuals serving as Trustees and GP Directors are the same individuals as the Fund Trustees. Each Fund Trustee, Trustee and GP Director will hold office until the Effective Date or, if the Arrangement is not completed, until the next annual meeting or until his successor is elected or appointed, unless his office is vacated at an earlier date.

Please refer to the section of this Circular entitled "Annual Business of the Meeting – The Nominee Fund Trustees, Trustees and GP Directors" for further details.

If you do not specify how you want your Voting Units voted, the Named Proxyholders or the other persons named as Proxyholders will cast the votes represented by proxy at the Meeting FOR the election of the nominee Fund Trustees, the nominee Trustees and the nominee GP Directors who are named in this Circular.

Appointment of Auditors

The Board of Fund Trustees, on the advice of the Audit Committee, recommends that PricewaterhouseCoopers LLP, Chartered Accountants, be reappointed as auditors of the Fund. PricewaterhouseCoopers LLP has served as auditors of the predecessor of GENIVAR since 1999 and as auditors of the Fund since its inception on May 16, 2006. The auditors appointed at the Meeting will serve until the next annual meeting of Voting Unitholders, or meeting of shareholders of New GENIVAR if the Arrangement is completed, or until their successors are appointed.

The Board of GP Directors, upon recommendation of the Audit Committee, approves, on an annual basis, the fees charged to GENIVAR by PricewaterhouseCoopers LLP.

If you do not specify how you want your Voting Units voted, the Named Proxyholders or the other persons named as Proxyholders will cast the votes represented by proxy at the Meeting FOR the appointment of PricewaterhouseCoopers LLP as auditors.

Please find below the fees billed to the Fund by PricewaterhouseCoopers LLP and its affiliates for the years ended December 31, 2009 and December 31, 2008:

Audit Fees

For the years ended December 31, 2009 and December 31, 2008, the Fund's external auditors billed the Fund and its Subsidiaries an aggregate of \$635,283 and \$626,268, respectively, for audit services.

Audit Related Fees

For the years ended December 31, 2009 and December 31, 2008, the Fund's external auditors billed the Fund and its Subsidiaries an aggregate of \$308,727 and \$275,815 respectively, for assurance and related services that are reasonably related to performance of the audit of the Fund's financial statements and which are not included in the amount reported above under "Audit Fees".

Tax Fees

For the years ended December 31, 2009 and December 31, 2008, the Fund's external auditors billed the Fund and its Subsidiaries an aggregate of \$9,417 and \$16,600 respectively, for professional services rendered by the Fund's external auditors for tax compliance, tax advice and tax planning.

All other Fees

For the years ended December 31, 2009 and December 31, 2008, the Fund's external auditors did not bill the Fund or any of its Subsidiaries for any products and services other than those included in the amounts reported above under "Audit Fees", "Audit Related Fees" and "Tax Fees".

The Nominee Fund Trustees, Trustees and GP Directors

The Fund, the Trust, GENIVAR LP, GENIVAR GP and GENIVAR Inc. are parties to the Securityholders' Agreement. As at April 15, 2010, GENIVAR Inc. held, directly and indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Exchangeable LP Units, which represent a 33.35% indirect ownership of Units, assuming the conversion of all such Exchangeable LP Units into Units. As at April 15, 2010, GENIVAR Inc. held directly and indirectly, through its Subsidiaries 4432011 Canada Inc. and 4446364 Canada Inc., 9,060,387 Special Voting Units, which represent 100% of the then currently outstanding Special Voting Units and 33.35% of the votes attached to all outstanding Voting Units.

Each of the Board of Fund Trustees, Board of Trustees and Board of GP Directors is composed of seven (7) members. Five (5) Fund Trustees, five (5) Trustees and five (5) GP Directors shall be elected at the Meeting. The individuals to serve as Fund Trustees shall be the same individuals as those serving as Trustees and as GP Directors and only Fund Trustees and Trustees may be appointed or nominated as GP Directors. At all times, a majority of the Fund Trustees, Trustees and GP Directors must be (i) independent, as determined pursuant to National Instrument 58-101 – *Disclosure Corporate Governance Practices*, of the Fund, the Trust, GENIVAR GP, GENIVAR Inc., 4432011 Canada Inc., 4446364 Canada Inc. and any direct or indirect wholly-owned Subsidiary thereof, and (ii) residents of Canada.

Pursuant to the Securityholders' Agreement, so long as the Existing Investor owns, directly or indirectly:

- (a) more than 30% of the Units (calculated on a fully diluted basis and assuming the conversion of all Exchangeable LP Units into Units), then the number of Fund Trustees, Trustees and GP Directors is fixed at seven (7), three (3) of whom may be appointed by the Existing Investor and four (4) of whom shall be ultimately elected by the public Unitholders;
- (b) 30% or less but not less than 20% of the Units (calculated on a fully diluted basis and assuming the conversion of all Exchangeable LP Units into Units), then the number of the Fund Trustees, Trustees and GP Directors is fixed at seven (7), two (2) of whom shall be appointed by the Existing Investor and five (5) of whom shall be ultimately elected by the public Unitholders;
- (c) less than 20% but not less than 10% of the Units (calculated on a fully diluted basis and assuming the conversion of all Exchangeable LP Units into Units), then the number of Fund Trustees, Trustees and GP Directors is fixed at seven (7), one (1) of whom shall be appointed by the Existing Investor and six (6) of whom shall be ultimately elected by the public Unitholders.

The Existing Investor's right to appoint Fund Trustees, Trustees and GP Directors shall cease upon the earlier of (i) when the Existing Investor owns, directly or indirectly, less than 10% of the Units (calculated on a fully diluted basis and assuming the conversion of all Exchangeable LP Units into Units) or (ii) the termination of the Securityholders' Agreement pursuant to the Arrangement.

Despite the fact that the Existing Investor owns more than 30% of the Units (calculated on a fully diluted basis and assuming the conversion of all Exchangeable LP Units into Units) and is entitled to appoint three (3) Fund Trustees, Trustees and GP Directors, the Existing Investor has elected to appoint only Pierre Shoiry and Ali Ettehadieh to act as Fund Trustees, Trustees and GP Directors.

Therefore, at the Meeting, holders of Voting Units will be entitled to elect five (5) of the proposed Fund Trustees, Trustees and GP Directors being Daniel Fournier, Pierre Seccareccia, Pierre Simard, Lawrence Smith and Richard Bélanger. However, there can be no assurance that the Existing Investor will not exercise its right to nominate three (3) Fund Trustees, Trustees and GP Directors in the future. Holders of Units and of Special Voting Units are entitled to one vote for each whole Unit and Special Voting Unit held. **GENIVAR Inc. holds Special Voting Units giving it 33.35% of votes that may be cast at the Meeting for the election of Daniel Fournier, Pierre Seccareccia, Pierre Simard, Lawrence Smith and Richard Bélanger and intends to vote FOR the election of such proposed nominees.**

The table below sets out, among other things, the names of the proposed nominees for election as Fund Trustees, Trustees and GP Directors, together with their municipality of residence, the date at which they became trustees, and directors, and their principal occupation. Also indicated is the number of Units owned or over which control or direction was exercised as at April 15, 2010.

Name and Municipality of Residence	Position with GENIVAR	Principal Occupation	Fund Trustee, Trustee and GP Director since	Number of Units Beneficially Owned or over which Control of Direction is Exercised
Pierre Shoiry Town of Mount-Royal, Québec	President and Chief Executive Officer, Fund Trustee, Trustee and GP Director	President and Chief Executive Officer of GENIVAR LP	May 16, 2006	–
Ali Ettehadieh Montreal, Québec	Fund Trustee, Trustee, GP Director and Executive Vice President, International and Project services	Vice President, International and Project services of GENIVAR LP	May 16, 2006	–
Daniel Fournier Outremont, Québec	Fund Trustee, Trustee, GP Director and Chairman of the Board of Fund Trustees, Board of Trustees and Board of GP Directors	President of A.C.N.G. Capital Inc.	May 16, 2006	5,000
Pierre Seccareccia ⁽¹⁾⁽³⁾ Candiac, Québec	Fund Trustee, Trustee and GP Director	Corporate Director	May 16, 2006	3,000
Pierre Simard ⁽¹⁾⁽²⁾⁽⁶⁾ Westmount, Québec	Fund Trustee, Trustee and GP Director	President of Champlain Financial Corporation (Canada)	May 17, 2007	–
Lawrence Smith, Q.C. ⁽²⁾⁽⁵⁾ Calgary, Alberta	Fund Trustee, Trustee and GP Director	Partner, Bennett Jones LLP	May 17, 2007	1,000

Name and Municipality of Residence	Position with GENIVAR	Principal Occupation	Fund Trustee, Trustee and GP Director since	Number of Units Beneficially Owned or over which Control of Direction is Exercised
Richard Bélanger ^{(1) (2) (4)} Lac Beauport, Québec	Fund Trustee, Trustee and GP Director	President of Groupe Toryvel Inc., President of Stetson Timberlands, Inc.	May 17, 2007	1,000

(1) Member of the Audit Committee.

(2) Member of the Corporate Governance, Nominating and Compensation Committee.

(3) Chairman of the Audit Committee.

(4) Chairman of the Corporate Governance, Nominating and Compensation Committee.

(5) Chairman of Risk Committee

(6) Member of Risk Committee

As at April 15, 2010, the Executive Officers, as a group, owned directly a 31.7% equity interest in GENIVAR Inc., which directly or indirectly owned a 33.35% interest in GENIVAR LP. The board of directors of GENIVAR Inc. is composed of Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, Éric Tremblay, Marc Rivard, François Perreault and Brian Oshust. All of the GENIVAR Inc. Shareholders are also employees of GENIVAR and are subject to the Shareholders' Agreement providing for their rights and obligations in GENIVAR Inc. It is a condition to the completion of the Arrangement that the Shareholders' Agreement be terminated as of the Effective Date.

Pierre Shoiry, President and Chief Executive Officer of GENIVAR LP, Fund Trustee, Trustee and GP Director has 25 years of experience in the engineering services industry. He began his career in 1980 with a major engineering services firm in Québec. Employed by GENIVAR or its predecessor company since 1989, he was previously Senior Associate Engineer in Municipal Infrastructures and Vice President of Business Development. He has been President of GENIVAR or its predecessor company since 1995. Mr. Shoiry has been a member of the Ordre des Ingénieurs du Québec since 1980. From 2002 to 2003, he was Chairman of the ACEC and actively participated in promoting the engineering services industry in Canada and abroad. He was also President of the Association of Consulting Engineers of Québec from 1998 to 1999. He holds a Bachelor's degree in applied science with a major in civil engineering, as well as a Master's degree in applied science, from Laval University. He is currently a Director of 5N Plus Inc.

Ali Ettehadieh, Fund Trustee, Trustee, GP Director and Vice President, International and Project services of GENIVAR LP, has more than 30 years of experience in project management, cost control and budgets, and value engineering, in Canada and internationally. In 1986, he founded Gespro SST inc., a project management company that became a part of the predecessor company of GENIVAR in 1998. Mr. Ettehadieh is a member of the Ordre des Ingénieurs du Québec, the Professional Engineers of Ontario and the American Society of Value Engineering. He is a civil engineering graduate of the École polytechnique de Montreal (1974) and holds a Master's degree in applied science from McGill University (1978).

Daniel Fournier, Fund Trustee, Trustee, GP Director, Chairman of the board of Fund Trustees, Trustees and GP Directors, has more than 20 years of experience in business administration. Between 1998 and 2007, Mr. Fournier served as President of ACNG Capital Inc., a real estate advisory company. From 1986 to 1997, Mr. Fournier was Chairman and majority shareholder of Ogilvy, a Montreal retail company. He serves on the board of directors of Canadian Tire Corporation. Mr. Fournier was a Trustee of Summit REIT as well as a member of the independent special committee until the sale of Summit REIT for \$3.2 billion to ING Canada in January 2008. He has also served on the board of Standard Life of Canada, and Standard Life Trust and CB Richard Ellis Canada. Mr. Fournier was also the founding Chairman of NF (Neurofibromatosis) Canada. He holds a Bachelor of History degree from Princeton University (1977) and a Bachelor of Arts in Jurisprudence from Oxford University (1980) where he was a Rhodes Scholar.

Pierre Seccareccia, Fund Trustee, Trustee and GP Director, has extensive experience in financial consulting and management. A Partner of the Coopers & Lybrand accounting firm from 1976 to 1998, he acted as Managing

Partner for its Montreal south shore office from 1987 to 1989, for its Montreal central office from 1992 to 1996, and for its offices in the Province of Québec from 1996 to 1998. Following the merger in 1998 of Coopers & Lybrand with Price Waterhouse, he acted as Managing Partner for the Montreal office of PricewaterhouseCoopers LLP from 1998 to 2001. Since 2003, he is a full-time director for various public and private entities. Mr. Seccareccia is currently a Director of Boralex Inc., GLV Inc., Medicago Inc. and New Millennium Capital Corp. Mr. Seccareccia is a Fellow of the *Ordre des comptables agréés du Québec*, a member of the Institute of Corporate Directors (Canada) and of the National Association of Corporate Directors (U.S.A.). He is a graduate from HEC Montréal (1969).

Pierre Simard, Fund Trustee, trustee of the Trust and GP Director, has more than 15 years of experience in the financial and banking industry. Mr. Simard is Managing Member and President of Champlain Financial Corporation (Canada) Inc. and Managing Director of Champlain Capital Management LLC, a merchant banking firm, which he co-founded in 2001. Prior to 2001, Mr. Simard worked as an investment banker with Lazard Frères & Co. LLC and Donaldson Lufkin & Jenrette Inc. where he arranged mergers and acquisitions and debt and equity financing. He also worked for Canadian Imperial Bank of Commerce and for Lancaster Financial Corp., a private investment banking firm in Toronto. Mr. Simard holds a Bachelor degree from Laval University in Chemical Engineering, has a graduate degree in Management from l'Université Catholique de Louvain (Belgium), and holds an M.B.A. from Johnson Graduate School of Management at Cornell University.

Lawrence Smith, Q.C., Fund Trustee, trustee of the Trust and GP Director, has more than 25 years of experience as a lawyer practicing in the energy industry. Mr. Smith has served as Vice-Chairman of Bennett Jones LLP, a national law firm based in Calgary, Alberta and is former counsel to the National Energy Board. Mr. Smith is a member of the Advisory Board to the Montreal Neurological Institute and the U.S. Federal Energy Bar Association. He also serves as director on the board of various public and private entities such as Alberta Northeast Gas Limited, WBI Canadian Pipeline, Ltd. and International Frontier Resources Corporation, among others. Mr. Smith holds Bachelor degrees from St. Patrick's College and University of Ottawa (LLB) and a Master's degree from Oxford University. He was appointed Queen's Counsel in 2000.

Richard Bélanger, Fund Trustee, trustee of the Trust and GP Director, has more than 25 years of experience in business development, financing and business management. Since 1993, he has served as President of Toryvel Group Inc., an investment firm of which he is the co-owner and has been President of Stetson Timberlands Inc., since 1988. Mr. Bélanger also serves as Chairman of the audit committee, is a member of the risk management committee and director on the board of the Laurentian Bank of Canada and he sits on the board of directors and the audit committee of Stella-Jones Inc. He has been President, Chief Executive Officer and Chairman of the audit committee (founder) of Theseus Capital Inc., from January 2005 to May 2008. From May 2003 to July 2004, he was Senior Vice President for eastern operations and corporate development of Canfor Corporation. From 1996 to 2003, he was the President and Chief Executive Officer of Daaquam Lumber Inc. and Chairman of the board and Chief Executive Officer of Produits Forestiers Anticosti Inc., two companies which he co-owned. From 1991 to 1996, he was the President and Managing Director of Gérard Crête et Fils Inc. He was also Co-Chairman of the Canadian Lumber Trade Alliance (2001-2004), Co-Chairman of the International Trade Committee (1999-2004), Chairman of the Québec Forest Industry Council (1997-1998) and Chairman of Forintek Canada Corporation (2001-2003). Mr. Bélanger is a Fellow of the *Ordre des comptables agréés du Québec* and holds a Bachelor's degree in accounting and administrative science from Laval University.

Certain Proceedings

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed hereunder, to the knowledge of the Fund and GENIVAR, in the last ten years, no Fund Trustee, no Trustee nor any GP Director or executive officer of GENIVAR is or has been, within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that, (a) while that person was acting in that capacity was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemptions under securities legislation, for a period of more than thirty (30) consecutive days, (b) was subject to a cease trade order or similar order or an order that denied the relevant company access to an exemption under securities legislation, for a period of more than 30 consecutive days that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that

occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets:

- (a) Pierre Simard was a director of GBO Inc., previously Groupe Bocenor Inc., a public company listed on the TSX, when it filed for protection under the CCAA in 2001; and
- (b) Pierre Simard was a director of Huntingdon Mills (Canada) Ltd., a private corporation, when it filed a notice of intention to file a proposal under the CCAA in 2002.

Penalties or Sanctions

To the knowledge of the Fund and GENIVAR, no Fund Trustee, no Trustee nor any GP Director or executive officer of GENIVAR LP, (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority (ii) has entered into a settlement agreement with a securities regulatory authority regarding any securities penalties or sanctions listed in (i) or (iii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the knowledge of the Fund and GENIVAR, no Fund Trustee, no Trustee nor any GP Director or executive officer of GENIVAR has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Fund Trustee, Trustee, GP Director or executive officer of GENIVAR LP.

Statement of Governance Practices

We consider corporate governance practices to be an important factor in our success and we aspire to uphold high standards of corporate governance throughout our organization. These high standards reflect not only legal and regulatory requirements of corporate governance but also existing and emerging practices.

The Board of Fund Trustees, the Board of Trustees and the Board of GP Directors have reviewed the respective governance practices of the Fund and GENIVAR GP and conclude that the Fund and GENIVAR GP comply with the requirements of National Policy 58-201 – *Corporate Governance Guidelines*.

The following descriptions reflect the Fund's compliance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Board of Fund Trustees and Board of GP Directors

Independence

The Securityholders' Agreement provides that, at all times, a majority of the members of the Board of Fund Trustees and of the Board of GP Directors must be independent, within the meaning of *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, of the Fund, the Trust, GENIVAR GP and the Existing Investor. A Fund Trustee or a GP Director is “independent” if the Board of Trustees and Board of GP Directors determine that the Fund Trustee or the GP Director is not a member of management of the Fund or GENIVAR (including, as applicable, its Subsidiaries and affiliates) and is free from any interest and any business, family or other relationship which would, or could reasonably be perceived to, interfere with the Fund Trustee's or the GP Director's ability to act with a view to serving the best interests of the Fund and GENIVAR, other than interests and relationship arising from unitholding in the Fund.

The Board of Fund Trustees, the Board of Trustees and the Board of GP Directors is composed of seven (7) members, the majority of whom is “independent”, within the meaning of the *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, being free from any direct or indirect material relationship with the Fund, the Trust, GENIVAR GP, the Existing Investor and any of their Subsidiaries. The following table describes the independence status of the nominee Fund Trustee and GP Directors, as determined by the Board of Fund Trustees and the Board of GP Directors:

<u>Name</u>	<u>Independent</u>	<u>Not Independent</u>	<u>Reason for Not Being Independent</u>
Pierre Shoiry		✓	President and Chief Executive Officer of GENIVAR LP and director of GENIVAR Inc.
Ali Ettedahieh		✓	Vice President, International and Project services of GENIVAR LP and director of GENIVAR Inc.
Daniel Fournier	✓		
Pierre Seccareccia	✓		
Pierre Simard	✓		
Lawrence Smith	✓		
Richard Bélanger	✓		

Directorships of Other Reporting Issuers

Some Fund Trustees, Trustees and GP Directors are presently directors of certain public entities. Daniel Fournier is currently a director of the Canadian Tire Corporation Limited. Pierre Seccareccia is currently a director of Boralex Inc., GLV Inc., Medicago Inc. and New Millennium Capital Corp. Lawrence Smith is currently a director of International Frontier Resources Corporation. Richard Bélanger is currently a director of Banque Laurentienne du Canada, and Stella-Jones Inc. Pierre Shoiry is currently a director of 5N Plus Inc.

Independent Trustees' and Directors' Meetings

Before and after each meeting, if need be, the independent directors have an opportunity to meet without management. During the last completed fiscal year, at each meeting of the Board of Fund Trustees and the Board of GP Directors, an *in camera session* took place where management did not participate.

Attendance Record

See "Appendix J" of this Circular for the attendance records of each Fund Trustee and GP Director for each of the meetings of the Board of Fund Trustees, the Board of GP Directors and the Committees since the beginning of the 2009 fiscal year.

Board Size

Each of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors is composed of seven members. The Board of Fund Trustees, the Board of Trustees and the Board of GP Directors are of the view that a size of seven members is adequate and allow the boards to be efficient decision making bodies.

Board Mandates

The Board of Fund Trustees, the Board of Trustees and the Board of GP Directors have adopted a written charter which sets out, among other things, their roles and responsibilities. The charter of the Board of Fund Trustees and of the Board of GP Directors is attached as "Appendix K" of this Circular.

Position Descriptions

Chairman of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors

The Board of Fund Trustees, the Board of Trustees and the Board of GP Directors have adopted a position description for the Chairman of the Board of Fund Trustees, the Board of Trustees and Board of GP Directors (the "**Chairman**"). The Chairman chairs the Board of Fund Trustees, the Board of Trustees and Board of GP Directors meetings and establishes procedures to govern each of the board's work. Some of the primary responsibilities of the Chairman include the following: (i) collaborating with other members of management to develop agendas and schedules for Board of Fund Trustees and Board of GP Directors' meetings and procedures, (ii) ensuring that the resources available to the Board of Fund Trustees, the Board of Trustees and Board of GP Directors (in particular, timely and relevant information) are adequate to support its work, (iii) providing appropriate information from management to enable the Board of Fund Trustees, the Board of Trustees and Board of GP Directors and Committees to exercise their accountabilities, and (iv) chair every meeting of the Board of Fund Trustees, the Board of Trustees and Board of GP Directors and encourage free and open discussion at meetings of such boards.

Under applicable securities laws, the Chairman, Mr. Daniel Fournier is independent of GENIVAR, the Existing Investor and any of their Subsidiaries.

President and Chief Executive Officer

The Board of Fund Trustees and the Board of GP Directors have adopted a position description for President and Chief Executive Officer (the "**CEO**"). The President and CEO is accountable to the Board of GP Directors for the effective overall management of GENIVAR and for conformity with policies agreed upon by the Board of GP Directors. The President and CEO shall have full responsibility for the day-to-day operations of the business of GENIVAR and its Subsidiaries in accordance with the strategic plan and operating and capital budgets. The approval of the Board of GP Directors (or any appropriate Committee) shall be required for all significant decisions outside of the ordinary course of the GENIVAR's business, including major financings, acquisitions and dispositions or material departures from the strategic plan or budgets. Without limiting the generality of the foregoing, the President and CEO shall (i) establish a strong working relationship with the Board of GP Directors, (ii) develop an annual operating plan and financial budget that support GENIVAR's long-term strategy, (iii) maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees at all levels, (iv) keep the Board of GP Directors aware of GENIVAR's performance and events affecting its business, including opportunities in the marketplace and adverse or positive developments, and (v) ensure that GENIVAR has an effective management team below the level of the CEO, and has an active plan for its development and succession.

Chairman of each Committee

The chairmen of the Audit Committee, the Corporate Governance, Nominating and Compensation Committee and the Risk Committee are respectively, Pierre Seccareccia, Richard Bélanger and Lawrence Smith. Under applicable securities laws, all of such individuals are independent of GENIVAR, the Existing Investor and any of their Subsidiaries.

Position descriptions have been adopted by the Board of Fund Trustees and the Board of GP Directors for the Chairman of each of the Audit Committee, the Corporate Governance, Nominating and Compensation Committee and the Risk Committee. According to such position descriptions, the chairman of each Committee shall, among other things: (i) provide leadership to enable the Committee to act effectively in carrying out its duties and responsibilities, (ii) ensure that there is an effective relationship between management and the members of the Committee, (iii) in consultation with the CEO, the Corporate Secretary and the Chairman of the Board of Fund Trustees and Board of GP Directors, determine the frequency, dates and locations of meetings of the Committee, (iv) report to the Board of Fund Trustees and Board of GP Directors on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board of Fund Trustees, the Board of Trustees and Board of GP Directors following any Meeting of the Committee, and (v) ensure the proper flow of information to the Committee.

Orientation and Continuing Education

The Board of Fund Trustees, the Board of Trustees and the Board of GP Directors consider that orienting and educating new Fund Trustees and new GP Directors is an important element of ensuring responsible governance. The Corporate Governance, Nominating and Compensation Committee is mandated to oversee the orientation and education process for newly appointed trustees and directors.

New Fund Trustees, new Trustees and new GP Directors are to be provided with GENIVAR's continuous disclosure documents, copies of the charters of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors and the Committees, copies of the position descriptions of the Chairman, President and CEO and the Chairman of each of the Committees, and are invited to attend orientation sessions with members of senior management as well as with the President and CEO to improve their understanding of GENIVAR's business. Each Fund Trustee, Trustee or GP Director is invited to address to the Corporate Governance, Nominating and Compensation Committee any request he may have regarding additional information or education and the Corporate Governance, Nominating and Compensation Committee undertakes to review such requests and take the appropriate measures.

The Corporate Governance, Nominating and Compensation Committee ensures that Fund Trustees, Trustees and GP Directors are provided with continuing education opportunities in an effort to keep Fund Trustees, Trustees and GP Directors up to date in their knowledge and understanding of their role and the nature of GENIVAR's business. In this regard, GENIVAR provides the Fund Trustees, Trustees and GP Directors with regular reports on the operations and finance of GENIVAR. Management periodically gives Fund Trustees, Trustees and GP Directors analyst studies, industry studies and benchmarking information. At each regular meeting of the Board of Fund Trustees, Board of Trustees and of the Board of GP Directors, the Fund Trustees, Trustees and GP Directors are provided with updates and short summaries or relevant information. Documentation and selected presentations are also provided to the Fund Trustees, Trustees and GP Directors to ensure that their knowledge and understanding of GENIVAR's business remains current. Furthermore, the Fund undertakes to assume the costs of any courses, sessions or conferences attended by Fund Trustees, Trustees and GP Directors.

During the last completed fiscal year, the Fund Trustees, Trustees and GP Directors attended two informational board meetings as well as one continuing education session on International Financial Reporting Standards (IFRS).

Code of Ethics and Business Conduct

GENIVAR has adopted an amended Code of Ethics and Business Conduct (the "**Code**"). This Code applies to all Fund Trustees, Trustees, GP Directors as well as officers and employees of GENIVAR. A copy of the Code can be found on SEDAR at www.sedar.com. The Code addresses among other things, the following issues:

- (a) Conflicts of interest;
- (b) Use of company assets;
- (c) Fraudulent or dishonest activities;
- (d) Confidential information;
- (e) Compliance with legislation;
- (f) Fair dealing with stakeholders;
- (g) Employment policies;
- (h) Computer, e-mail and Internet policies;
- (i) Reporting suspected non-compliance with the Code; and
- (j) Reporting violations of the Code.

The Corporate Governance, Nominating and Compensation Committee has the responsibility for monitoring compliance with and interpreting the Code. The Code also includes provisions whereby employees can report violations of the Code. The Board of Fund Trustees and the Board of GP Directors have concluded that such measures are appropriate and sufficient to ensure compliance with the Code.

No material change report was required to be filed in relation to any non-compliance with the Code, during the most recently completed fiscal year, ended December 31, 2009.

To ensure the Fund Trustees, Trustees and GP Directors exercise independent judgment in considering transactions, agreements or decisions in respect of which a Fund Trustee, Trustees or a GP Director has a material interest, the Fund Trustees, Trustees and the GP Directors shall disclose all actual or potential conflicts of interest and refrain from voting on such matter. A Fund Trustee, a Trustee or a GP Director shall also excuse himself or herself from any discussion or decision on any matter in which he or she is precluded from voting as a result of a conflict of interest or which otherwise affects his or her personal, business or professional interest.

Nomination of Fund Trustees and GP Directors

The nomination process for Fund Trustees, Trustees and GP Directors is subject to the terms of the Securityholders' Agreement.

The Corporate Governance, Nominating and Compensation Committee is composed entirely of independent Fund Trustees, Trustees and GP Directors and is responsible for (i) identifying and recommending to the Board of Fund Trustees, the Board of Trustees and Board of GP Directors suitable Fund Trustee, Trustees or GP Director candidates, (ii) determining the composition of the Board of Fund Trustees, the Board of Trustees and Board of GP Directors, (iii) implementing and conducting a process to assess, on an annual basis, the effectiveness of the Board of Fund Trustees, the Board of Trustees and Board of GP Directors, their various Committees, and the individual performance of each Fund Trustee, Trustee and GP Director, and (iv) nominating and evaluating, as well as planning succession for, officers and other senior management personnel of GENIVAR.

As part of the process, the Corporate Governance, Nominating and Compensation Committee considers what competencies and skills the Board of Fund Trustees, the Board of Trustees and Board of GP Directors, each as a whole, should possess, assesses the skill sets of current Fund Trustees, Trustees and GP Directors and identifies any additional skills sets deemed to be beneficial. The Corporate Governance, Nominating and Compensation Committee also considers the position held with other organizations and the other business and personal commitments of prospective Fund Trustee, Trustee and GP Director candidates in order to determine whether they would be able to fulfill their duties as Board of Fund Trustees, Board Trustees or Board of GP Directors members.

The Corporate Governance, Nominating and Compensation Committee has the authority to engage and set the compensation of outside counsel and other outside advisors as it deems appropriate to assist the Corporate Governance, Nominating and Compensation Committee in the performance of its functions.

Please see the section of this Circular entitled "Annual Business of the Meeting – Committees" for a description of the responsibilities, powers and operations of the Corporate Governance, Nominating and Compensation Committee.

Board Committees

There are three joint Committees of the Board of Fund Trustees and of the Board of GP Directors: the Audit Committee, the Corporate Governance, Nominating and Compensation Committee and the Risk Committee. Please refer to the section of this Circular entitled "Annual Business of the Meeting - Committees" for a description of the responsibilities, powers and operations of such Committees.

Assessments

The Corporate Governance, Nominating and Compensation Committee assumes the responsibility of assessing the effectiveness of the Board of Fund Trustees, the Board of Trustees and of the Board of GP Directors, the

Committees and the contribution of individual Fund Trustees, Trustees and GP Directors on an annual basis. In order to do so, the Corporate Governance, Nominating and Compensation Committee may (i) survey of all Fund Trustees, Trustees and GP Directors to allow each Fund Trustee and GP Director to assess the effectiveness and performance of the Board of Fund Trustees, the Board of Trustees and Board of GP Directors and their Chairman, the Committees and their respective Chairman, as well as to appraise his or her own participation on the Board of Fund Trustees, the Board of Trustees and Board of GP Directors and report to the Board of Fund Trustees, the Board of Trustees and Board of GP Directors the results of such assessment, (ii) review and discuss with each of the Committees the adequacy of the mandate adopted by each Committee, and recommend changes as deemed appropriate by the Board of Fund Trustees, the Board of Trustees and Board of GP Directors, and (iii) evaluate, review and report to the Board of Fund Trustees, the Board of Trustees and Board of GP Directors its own performance and effectiveness.

The Corporate Governance, Nominating and Compensation Committee reports periodically on its activities to the Board of Fund Trustees, the Board of Trustees and Board of GP Directors.

In order to assess the performance and effectiveness of individual directors and trustees, the Board of Fund Trustees, the Board of Trustees, the Board of GP Directors and their Committees used, during the fiscal year 2009, a Board Self-Evaluation Questionnaire.

The results from these assessment tools are to be collated and discussed by the Chairman at a meeting of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors and during an *in-camera* meeting of the Board of Fund Trustees, the Board of Trustees and Board of GP Directors. Following such meetings, the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors decided that they would expand the continuous education program by organizing training sessions in which certain Executive Officers of GENIVAR would provide information regarding their respective field of expertise within the GENIVAR organization.

During fiscal year 2009, the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors met seven times, four of which were regular scheduled Board meetings, one of which as a strategic planning meeting and two of which were special Board meetings.

Committees

The Board of Fund Trustees and the Board of GP Directors have an Audit Committee, a Corporate Governance, Nominating and Compensation Committee and a Risk Committee. The Board of GP Directors has formed such Committees that fulfill the audit, governance and other committee functions of each of the Fund, the Trust and GENIVAR GP as they, in their discretion, determined.

All Committees are composed of independent Fund Trustees and GP Directors. The roles and responsibilities of each Committee are set out in their respective charters, except for the Risk Committee which has not adopted a charter.

This section includes reports from each Committee, which tell you about its members, responsibilities and activities.

Audit Committee

The Audit Committee is composed of three members: Pierre Seccareccia (Chairman), Pierre Simard and Richard Bélanger. Under applicable securities laws, all of such individuals are independent of GENIVAR, the Existing Investor and any of their Subsidiaries. In addition, each of them is "financially literate" within the meaning of Multilateral Instrument 52-110 – *Audit Committees*. The members of the Audit Committee have no relationships with management, the Fund, GENIVAR GP, the Existing Investor and their related entities which, in the opinion of the Board of Fund Trustees and Board of GP Directors, may interfere with their independence from management and from the Fund, GENIVAR GP, the Existing Investor and their related entities.

The role of the Audit Committee is to assist the Board of Fund Trustees and Board of GP Directors in its oversight and supervision of:

1. The integrity of the financial reporting of each of the Fund, the Trust, GENIVAR LP and GENIVAR GP;
2. GENIVAR's internal controls and, where applicable, disclosure controls;
3. The independence, qualifications and performance of the external auditor and eventually the performance of an internal auditor; and
4. GENIVAR's compliance with applicable legal and regulatory requirements.

The Audit Committee's responsibilities include the following:

1. On a periodic basis, a review and discussion with management and the external auditor on (i) major issues regarding accounting principles and financial statement presentations, the adequacy of GENIVAR's internal controls, and any special audit steps adopted in light of identified material control deficiencies, if any, (ii) analyses prepared by or on behalf of management setting forth significant financial reporting issues and judgments made in connection with the preparation of financial statements, and (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures (if any), on the financial statements of GENIVAR;
2. Ensure that adequate procedures are in place for the review of GENIVAR's public disclosure of financial information;
3. Being directly responsible for resolving any disagreement between management and the external auditor regarding financial reporting;
4. Review and discuss any report from the external auditor on all critical accounting policies and practices and all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management;
5. Recommend to the Board of Fund Trustees and Board of GP Directors the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for GENIVAR, and the compensation of such external auditor;
6. Be directly responsible for overseeing the work of the external auditor when preparing or issuing an auditor's report or performing other audit;
7. Pre-approve all non-audit services to be provided by the external auditor to GENIVAR;
8. At least annually, consider, assess and report to the Board of Fund Trustees and Board of GP Directors on the independence of the external auditor and obtain from the external auditor a written statement delineating all relationships between the external auditor and GENIVAR and any other relationships that may adversely affect the independence of the external auditor;
9. At least annually, obtain and review a report by the external auditor describing the external auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review of the external auditor firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditor firm, and any steps taken to deal with any such issues;
10. Meet periodically with the external auditor in the absence of management and the internal auditor;
11. Review and discuss with the internal auditor report and, where appropriate, provide recommendations to the Board of Fund Trustees and Board of GP Directors on the appointment and mandate of the internal auditor, the scope and performance of the internal auditor, including a review of the annual internal audit plan, and whether there are any restrictions or limitations on the internal auditor, and obtain periodic reports from the internal auditor regarding internal audit findings;

12. Meet periodically with the internal auditor in the absence of management and the external auditor;
13. Review and discuss with management, the external auditor and internal auditor, report and, when appropriate, provide recommendations to the Board of Fund Trustees and Board of GP Directors on GENIVAR's internal control system;
14. Establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters;
15. Meet periodically with management in the absence of the external auditor and the internal auditor;
16. Review, report and, where appropriate, provide recommendations to the Board of Fund Trustees and Board of GP Directors on GENIVAR's processes for identifying, assessing and managing risk and GENIVAR's major financial risk exposures and the steps taken to monitor and control such exposures; and
17. Review and discuss with management, the external auditor and internal auditor report and, when appropriate provide recommendations to the Board of Fund Trustees and Board of GP Directors on the adequacy of each GENIVAR's process for complying with laws and regulations.

The Audit Committee met six times during the last completed fiscal year.

Please refer to the section of the AIF entitled "Audit Committee" for additional information on the Audit Committee. The AIF is available on SEDAR at www.sedar.com.

Corporate Governance, Nominating and Compensation Committee

The Corporate Governance, Nominating and Compensation Committee is composed of three members: Richard Bélanger (Chairman), Pierre Simard and Lawrence Smith. Under applicable securities laws, all of such individuals are independent of GENIVAR, the Existing Investor and any of their Subsidiaries.

The primary objective of the Corporate Governance, Nominating and Compensation Committee is to assist and where appropriate make recommendations to the Board of Fund Trustees and Board of GP Directors, in relation with the:

1. Development and implementation of the corporate governance guidelines of GENIVAR;
2. Subject to the terms of the Securityholders' Agreement, identification of individuals qualified to become members of the Board of Fund Trustees and Board of GP Directors;
3. Determination of the composition of the Board of Fund Trustees and Board of GP Directors and their Committees;
4. Determination of the Fund Trustees' and GP Directors' remuneration for board and committee service;
5. Monitoring of a process to assess the effectiveness of the Board of Fund Trustees and Board of GP Directors and their Committees, including their respective Chairman;
6. Compensation, nomination and evaluation of, as well as succession planning for, officers and other senior management personnel of GENIVAR; and
7. GENIVAR's health and safety policies and practices.

The Corporate Governance, Nominating and Compensation Committee's responsibilities include the following:

1. Report to the Board of Fund Trustees and Board of GP Directors annually on all matters of corporate governance;
2. Develop and recommend at least annually to the Board of Fund Trustees and Board of GP Directors a set of corporate governance guidelines in accordance with applicable laws and regulations review;

3. Consider and recommend for approval by the Board of Fund Trustees and Board of GP Directors candidates for election or appointment to the Board of Fund Trustees and Board of GP Directors;
4. Develop and recommend to the Board of Fund Trustees and Board of GP Directors appropriate qualifications and criteria for the selection of their members;
5. Conduct an annual review of the directors' remuneration for board and committee service in relation to current norms;
6. Assist newly appointed members of the Board of Fund Trustees and Board of GP Directors in becoming better acquainted with GENIVAR and its governance process and provide orientation and continuing education for all members of the Board of Fund Trustees and Board of GP Directors;
7. Consider and recommend for approval by the Board of Fund Trustees and Board of GP Directors the appointment of the CEO and all other officers of GENIVAR;
8. Review with the CEO management's assessment of existing management resources and plans for ensuring that qualified personnel will be available as required for succession to officers and other senior management personnel of GENIVAR;
9. Review and assess annually, in conjunction with the Board of Fund Trustees and Board of GP Directors, the performance of the CEO against pre-set specific performance criteria;
10. Review with the CEO the annual performance assessments of all other officers and other senior management personnel of GENIVAR and report annually to the Board of Fund Trustees and Board of GP Directors on these assessments;
11. Oversee and recommend for approval by the Board of Fund Trustees and Board of GP Directors GENIVAR's executive compensation policy and specifically consider and recommend annually for approval by the independent Fund Trustees and GP Directors all forms of compensation for the CEO;
12. Oversee GENIVAR's annual report on executive compensation for inclusion in GENIVAR's public disclosure documents, in accordance with applicable rules and regulations; and
13. Review, report and where appropriate, provide recommendations to the Board of Fund Trustees and Board of GP Directors, on GENIVAR's health and safety policies and practices.

The Corporate Governance, Nominating and Compensation Committee met five times during the last completed fiscal year.

Risk Committee

The Risk Committee is comprised of two members: Pierre Simard and Lawrence Smith. Under applicable securities laws, both of such individuals are independent of GENIVAR, the Existing Investor and any of their Subsidiaries.

The primary objective of the Risk Committee is to assist and where appropriate make recommendations to the Board of Fund Trustees and Board of GP Directors, in relation with the assessment and management of business and other non-financial risks of GENIVAR:

The Risk Committee met two times during the last completed fiscal year.

Statement of Executive Compensation

Compensation Discussion and Analysis

Compensation Policy

GENIVAR's compensation policy aims to attract, develop and retain highly talented individuals with the skills and competencies to generate and sustain profitable performance over the long-term. The Corporate Governance, Nominating and Compensation Committee is responsible for defining, reviewing and monitoring GENIVAR's compensation policy and guidelines with respect to the named executive officers (the "**Named Executive Officers**" or "**NEOs**").

To achieve its goals, GENIVAR strives to maintain a balance between Unitholders, NEOs' and employees' interests. Compensation mix and levels are driven by business strategy and take into account the competitiveness of total compensation among organizations with similar economic and business profiles. By linking NEOs' and Unitholders' interests through incentive compensation, the compensation strategy contributes to the achievement of profitable growth for Unitholders.

Annual Compensation Review Process

The Committee periodically reviews all elements of executive compensation to ensure that it continues to be aligned with GENIVAR's business strategy, and periodically validates the elements and their value with market practices. On an annual basis, the Committee reviews and recommends to the Board of GP Directors for approval the CEO's salary and performance objectives for the upcoming year. At the end of the year, the Committee meets to review performance against targets. The Corporate Governance, Nominating and Compensation Committee decides whether or not to award a bonus to the CEO based on GENIVAR's financial performance and the Corporate Governance, Nominating and Compensation Committee's assessment of the CEO's contribution. The Committee also approves the compensation of the other Named Executive Officers following recommendations from the CEO. Each NEO's performance objectives are derived from and are in line with GENIVAR's annual business plan objectives. Individual objectives also include some actions and decisions relating to the deployment of GENIVAR's mid- and long- term strategy to sustain growth and build economic value for Unitholders.

Comparator Group

In designing its compensation structure, the Corporate Governance, Nominating and Compensation Committee reviews the compensation practices within a comparator group made-up of businesses sharing activity, scope and financial characteristics with GENIVAR (the "**Comparator Group**"). The organizations that comprise the Comparator Group have revenues comparable with those of GENIVAR and include engineering and construction firms operating nationally as well as companies and income trust funds in the professional services sector and with revenues comparable to those of GENIVAR, as listed below:

Armtec Infrastructure Income Fund	Bird Construction Income Fund
Cossette Inc.	Groupe Aecon Inc.
Groupe Altus Income Fund	Groupe Canam Inc.
IBI Income Fund	Lockerbie & Hole Inc.
Morneau Sobeco Income Fund	Stantec Inc.
The Churchill Corporation	Vicwest Income Fund

The selected organizations share similar economic and business challenges as GENIVAR, making relative performance and compensation comparisons meaningful. The Committee may review periodically the composition of the Comparator Group, as may be required.

Compensation Consulting Services

To support the review and market assessment of the executive compensation policy, the Corporate Governance, Nominating and Compensation Committee retained the services of PCI, an external consulting firm specialized in executive compensation. The firm reports directly to the Corporate Governance, Nominating and Compensation Committee. PCI received \$26,028 for work performed for the fiscal year 2009. PCI also received \$5,945 to conduct a study with respect to directors compensation. The services of PCI were also retained to provide advice relating to executive compensation and compensation programs design of New GENIVAR following completion of the Arrangement.

What the Compensation program is designed to reward

GENIVAR's compensation plans are designed to reward financial success and those executives that stand out by achieving certain goals through superior individual performance. Each of the Named Executive Officers benefits from employment agreements with GENIVAR which currently provide for the following elements of pay: (i) a competitive base salary, (ii) an annual bonus opportunity based on the achievement of pre-determined performance objectives including the deployment of GENIVAR's business strategy and (iii) group insurance and deferred profit sharing plan benefits. As further described under the section "Long-Term Incentive Plan" below, the Board of GP Directors and the Board of Fund Trustees have elected in 2008 to terminate the long-term incentive plan (the "LTIP") in accordance with its terms and conditions. Management's long-term interests are already aligned with the Unitholders' interests through their investments in GENIVAR Inc. which currently owns, directly or indirectly, a 33.35% interest in GENIVAR. GENIVAR aims to position total executive compensation at the median of the Comparator Group for comparable results and higher than the median for sustained superior performance over time.

The weight of each element is based on data and established practices among the Comparator Group, as well as in support of GENIVAR's business objectives and pay for performance philosophy.

The following table presents the total direct compensation mix for each NEO for the 2009 fiscal year:

Compensation element as a % of total direct compensation (salary + STIP + LTIP)					
NEO	Title	Base Salary	STIP⁽¹⁾	LTIP	Total Variable Compensation
Pierre Shoiry	President and Chief Executive Officer	40%	60%	0%	60%
Marcel Boucher	Chief Financial Officer	57%	43%	0%	43%
Marc Rivard	Vice-President, Canadian Operations ⁽²⁾	62.5%	37.5%	0%	37.5%
Ali Ettehadieh	Vice-President, International and Project services	67%	33%	0%	33%
Eric Tremblay	Vice-President, Eastern Quebec Region.	67%	33%	0%	33%

(1) Short Term Incentive Plan.

(2) Marc Rivard was appointed Chief Operating Officer on January 14, 2010.

Compensation Elements

Base Salary

For the fiscal year 2009, base salaries were reviewed and increased to take into account the planned salary adjustments in GENIVAR's market for talent. Each position's salary was positioned at or near the median salary of the Comparator Group, taking into account parameters such as the increase in responsibility and accountability

levels, mainly due to the Fund's growth. In addition, salaries for individual incumbents are adjusted to reflect their respective competencies, experience in their actual position and their contribution to GENIVAR's success.

Short-Term Incentive Plan

GENIVAR LP maintains a short-term incentive plan ("**STIP**") for key personnel of GENIVAR's engineering services business. For the regional and market segment VPs, the business unit directors and the project managers, a bonus pool calculated as a percentage of earnings before general corporate expenses was available to reward these individuals for their contribution in meeting their budget and cashflow management targets as well as providing corporate leadership and engagement. For the fiscal year ended December 31, 2009, specific targets were set to determine the amount of bonus awarded to all NEO's. The targets were: (i) revenue and net revenue growth: 22.5%; (ii) EBITDA growth: 15% (iii) net earnings growth: 15%; (iv) EBITDA margins: 18-20%; and (v) distributable cash: 15% increase. The actual paid bonuses were based on achievement of targets and also resulted of discussions between the CEO and the Corporate Governance Nominating and Compensation Committee. In 2009, the total amount allocated under the STIP to GENIVAR's key personnel (including NEOs) was approximately \$6.4M, which was distributed among approximately 500 employees. GENIVAR also allocated approximately \$1.52M in profit sharing and retention incentives for employees in some acquired companies.

For key personnel excluding the NEOs, the STIP motivates and rewards the achievement of overall annual earnings for the year before interest, tax, depreciation and amortization results, commonly referred to as "EBITDA", against budget, combined with superior individual and team performance, based on either market segment or region. The STIP enables key personnel, other than the NEOs, to receive a maximum bonus opportunity ranging between 15% and 50% of their base salary, depending on their position within GENIVAR's engineering services business.

EBITDA is a non-GAAP measure and represents earnings for the year before interest, tax, depreciation of property, plant and equipment and amortization of intangible assets. The Corporate Governance, Nomination and Compensation Committee believes EBITDA is an important supplemental measure of operating performance because it eliminates items that have less bearing on our operating performance and thus highlights trends in our core business that may not otherwise be apparent when relying solely on Canadian GAAP financial measures.

With respect to NEOs, the STIP is established based on a percentage of the NEO's annual base salary as of December 31st, 2009. For the fiscal year 2009, the STIP maximum bonus opportunity for each NEO was based as follows: CEO: 150%, Chief Financial Officer ("**CFO**"): 75%, Vice-President, Canadian Operations: 60%; other NEOs: 50%. However, the Board may determine that, in certain circumstances, it is appropriate to reward any NEOs with a bonus superior to such maximum bonus opportunity. For such fiscal year, the NEOs were awarded STIP for achieving or exceeding financial, operational and leadership goals and targets pre-determined for each NEO. The relative emphasis on each objective varies based on the scope of each executive officer's responsibilities (*e.g.* geography, types of markets and services performed). The CEO works with each executive officer to set out his objectives and evaluates the degree to which they were met. He then recommends the STIP awards, if any, to the Corporate Governance, Nominating and Compensation Committee. The Corporate Governance Nominating and Compensation Committee also approves the CEO's objectives, evaluates their achievement and decides on any STIP award to the CEO.

When assessing performance of the CEO, the Corporate Governance Nominating and Compensation Committee reviews each target listed above and evaluates if the target has been met, exceeded or not met. Bonus award is decided through a discussion based on the overall achievement of targets.

Group Insurance and Deferred Profit Sharing Plan Benefits

GENIVAR wishes to ensure that all its employees and their families are adequately protected against any adverse effects resulting from health-related complications. Consequently, as part of their total compensation, all employees, including the NEOs, participate in GENIVAR's group health, medical, long-term disability and life insurance plans.

Similarly, for employees who contribute to GENIVAR's group registered retirement savings plan, GENIVAR will match 100% of the employee contributions, up to a maximum amount equivalent to 3% of their base salary¹, subject to the maximum amount permitted under the Income Tax Act.

Long-Term Incentive Plan

On April 21, 2008, the Board of Fund Trustees and the Board of GP Directors, upon recommendation by the Corporate Governance, Nominating and Compensation Committee, decided to terminate the LTIP in accordance with its terms. It was determined that the LTIP, as it existed, was not essential to create an environment that would attract, retain and motivate key personnel. The LTIP would have been necessary had management's interest not already been aligned with the Unitholders' interests through the investment in GENIVAR Inc., the non-controlling unitholder, which in turn directly or indirectly owns a 33.35% interest in GENIVAR, as described below.

As at April 15, 2010, the Executive Officers, as a group, owned a 31.7% equity interest in GENIVAR Inc. and all of the GENIVAR Inc. Shareholders are also employees of GENIVAR.

Further to the termination of the LTIP pursuant to its terms, the LTIP awards have been credited to the participants under the LTIP for the last time on December 31st, 2009, as per the vesting provisions described in the LTIP. Unit awards with respect to a fiscal year became vested and payable in cash or in units, at a rate of 1/3 per year starting on the first anniversary of the award date and subject to the participant's continued employment with GENIVAR. LTIP participants were entitled to receive distributions on all units held for their account prior to the applicable vesting date. Such distributions were reinvested in additional units purchased on the secondary market on their payment date.

GENIVAR Inc. Shareholdings

As at April 15, 2010, GENIVAR had 460 active employee-owners, through shareholdings in GENIVAR Inc. who share a strong entrepreneurial spirit and are actively involved in its operations. These employee-owners either come from acquired companies or are invited to become shareholders based on such criteria as technical expertise, administrative skills, communication abilities and initiative. The employee-owners become shareholders further to an investment made by them. This share ownership system contributes in retaining top talent and strategic people of acquired businesses. Although not considered in the compensation, this investment vehicle ensures that management's incentive is aligned with those of the Unitholders.

2009 STIP Awards

The NEOs' 2009 annual STIP targets were set to reward achievement of goals closely aligned with the Fund's objectives and the deployment of GENIVAR's business plan.

For the fiscal year 2009, targets were based on the following:

1. financial performance, in line with growth objectives respecting government regulations pertaining to income funds; Please refer to the section of this circular entitled "Annual Business of the Meeting – Statement of Executive Compensation - Compensation Discussion and Analysis – Compensation Elements – Short-Term Incentive Plan" for additional details;
2. operational objectives concerning the development of the organization structure and the establishment of systems necessary to support the growth strategy and timeline;

¹ In July 2009, the 2% match which was set as the maximum matching percentage of salary in 2008, was increased to 3% retroactively to the beginning of the year.

3. leadership objectives, through the establishment of a positive and productive working climate and strong engagement from employees and all levels of managers.

For 2009, the Corporate Governance, Nominating and Compensation Committee reviewed the Fund's results and assessed the CEO's performance against his respective goals. Based on this review and the ensuing discussion, the Corporate Governance, Nominating and Compensation Committee established the incumbent's overall achievements and recommended the STIP amount to reward his contribution to GENIVAR's success for the said fiscal year. The Corporate Governance, Nominating and Compensation Committee also analyzed and discussed with the CEO other NEOs' performance and STIP awards. STIP bonus amounts awarded to NEOs, other than the CEO, exceed the maximum bonus when expressed as a percentage of salary, due to rounding or, in the case of the Vice President, International and Project services, due to exceptional performance in areas other than the STIP performance indicators.

Annual STIP Award for the CEO

The Corporate Governance, Nominating and Compensation Committee noted the following as key points regarding the CEO's performance against his objectives for the fiscal year 2009:

- except for the EBITDA growth target achieved at 91%, all committed financial targets set for the fiscal year 2009, including revenue and net revenue growth, net earnings growth, EBITDA margins, distributable cash were met or exceeded;
- strategic acquisitions were completed and integrated in line with the business plan, which strengthened existing market segments and established a solid presence in new regions;
- developed and executed a successful strategy to raise \$100 million in equity financing; and
- value for the Unitholders was created through the achievement of a total positive net return during the fiscal year 2009.

Based on the Corporate Governance, Nominating and Compensation Committee's assessment of the CEO's achievements, the CEO was awarded \$490,000 from the STIP, representing 80% of the maximum bonus opportunity being 150% of his salary for the fiscal year 2009.

Annual STIP Award for the CFO

The Corporate Governance, Nominating and Compensation Committee, following discussions with the CEO, noted the following as key points regarding the CFO's performance against his objectives for 2009:

- overall cash flow objectives were met;
- closing of thirteen (13) acquisitions were successfully executed;
- all financial obligations and covenants of GENIVAR regarding its credit facilities and engagements were met;
- increased credit facilities of GENIVAR were negotiated; and
- successfully managed and closed a \$100 million equity financing.

Based on the CEO's assessment of the CFO's achievements and given the discretion of the Committee to award a bonus, the CFO was awarded \$175,000 from the STIP, representing 101% of the maximum bonus opportunity being 75% of his salary for the fiscal year 2009.

Annual STIP Award for the Vice-President, Canadian Operations

The Vice President, Canadian Operations shares the same targets as the CEO (refer to the above STIP section). The Corporate Governance, Nominating and Compensation Committee, following discussions with the CEO, noted the following as key points regarding the Vice-President, Canadian Operations's performance against his objectives for the fiscal year 2009:

- all financials targets were met or exceeded except for EBITDA growth target achieved at 91% of goal;
- acquisitions were effectively integrated allowing GENIVAR to retain key talent;
- realignment of corporate support services which resulted in improved services in all regions;
- establishment of new business processes and systems which improves efficiency and employee engagement; and
- occupational health and safety objectives were met

Based on the CEO's assessment of the Vice-President, Canadian Operations' achievements, and given the discretion of the Committee to award a bonus, the Vice-President, Canadian Operations was awarded \$140,000 from the STIP, representing 101% of the maximum bonus opportunity being 60% of his salary for the fiscal year 2009.

Annual STIP Award for the Executive Vice President, International and Project Services

The Corporate Governance, Nominating and Compensation Committee, following discussions with the CEO, noted the following as key points regarding the Vice President, International and Project services' performance against his objectives for the fiscal year 2009:

- internal regional budget forecasts and earnings before general corporate expenses objectives were exceeded;
- GENIVAR market share was increased;
- occupational, health and safety objectives were met;
- increased leadership in the International department; and
- exceptional contribution in establishing the business in new markets.

Based on the CEO's assessment of the Vice President, International and Project services' exceptional contribution and sustained achievement above target results, and given the discretion of the Committee to award a bonus, the Vice President, International and Project services was awarded \$150,000 from the STIP, representing 133% of the maximum bonus opportunity being 50% of his salary for the fiscal year 2009. The Vice-President, International and Project services was awarded a bonus amount in excess of the policy's maximum bonus opportunity in recognition of his overachievement of target results combined with his exceptional performance in areas other than the STIP performance indicators.

Annual STIP Award for the Vice President, Eastern Quebec Region

The Corporate Governance, Nominating and Compensation Committee, following discussions with the CEO, noted the following as key points regarding the Vice President, Eastern Quebec region's performance against his objectives for the fiscal year 2009:

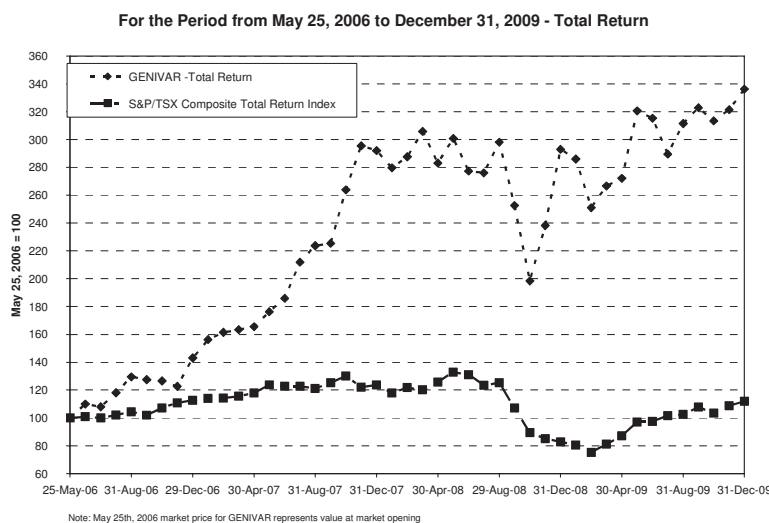
- internal regional budget forecasts and earnings before general corporate expenses objectives were exceeded;

- GENIVAR market share was increased;
- operations of acquired companies were successfully integrated;
- cash flow objectives with regards to accounts receivables and work in progress were met; and
- occupational, health and safety objectives were met.

Based on the CEO's assessment of the Vice President, Eastern Quebec's achievements, and given the discretion of the Committee to award a bonus, the Vice President, Eastern Quebec region was awarded \$100,000 from the STIP, representing 103% of the maximum bonus opportunity being 50% of his salary for the fiscal year 2009.

Performance Graph

The following performance graph compares the total cumulative unitholder return of a \$100 investment in the Units since the Initial Public Offering to December 31, 2009, with the cumulative total shareholder return on the S&P/TSX Composite Index for the same period assuming reinvestment of all distributions and dividends.



The above performance graph shows a relatively constant increase in the cumulative Unitholder return from the initial public offering on May 25, 2006 to December 31, 2009 fiscal year end. In spite of somewhat erratic fluctuations on the market in 2008, GENIVAR's total return to Unitholders outperformed the S&P / TSX Composite Index by over 300%.

The trend analysis between the NEO's total compensation and GENIVAR's cumulative total shareholder return from the Initial Public Offering to the period ended December 31, 2009 (the "Period") has no direct correlation. While the cumulative Unitholder return over the Period follows a clear upward trend, the executive compensation paid to NEOs has only been moderately increased. As explained in the Compensation Discussion and Analysis section, the Corporate Governance, Nominating and Compensation Committee has aligned total compensation of the NEOs to the Comparator Group in order to provide a competitive base salary and STIP awards. Furthermore, the long term incentive of the NEOs, which NEOs are part of the 460 employee-owners as at April 15, 2010 through shareholding in GENIVAR Inc., which in turn directly or indirectly owns a 33.35% interest in GENIVAR, are aligned with the interest of the Unitholders.

Summary Compensation Table

The following table summarizes the NEOs' total annual compensation for years ending December 31st, 2007, December 31st, 2008 and December 31st, 2009. Data for the fiscal year 2007 are provided by GENIVAR on a voluntary basis, for the benefit of Unitholders and investors. The information for these three (3) fiscal years is in

compliance with the new rules (Form 51-102F6 Statement of Executive Compensation) that came into force on December 31, 2008. All amounts are in Canadian dollars.

Name and Principal Position	Year	Salary (\$)	Unit-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation ⁽²⁾ (\$)	All other compensation ⁽³⁾ (\$)	Total compensation ⁽⁴⁾ (\$)
Pierre Shoiry President and Chief Executive Officer	2009	410 000	N/A	490,000	34,658	934,658
	2008	400,000	N/A	475,000	23,921	898,921
	2007	350,000	N/A	475,000	14,295	839,295
Marcel Boucher Chief Financial Officer	2009	230,000	N/A	175,000	12,813	417,813
	2008	225,000	N/A	175,000	9,040	409,040
	2007	175,000	N/A	175,000	5,690	355,690
Marc Rivard Vice President, Canadian Operations	2009	230 000	N/A	140,000	6,587	376,587
	2008	184,903 ⁽⁷⁾	N/A	125,000	4,181	314,084
	2007	146,634	N/A	50,000	3,141	199,775
Ali Ettehadieh VP, International and Project services	2009	225 000	N/A	150,000	6,796	381,796
	2008	210,000	N/A	150,000	4,950	364,950
	2007	200,000	N/A	100,000	4,596	304,596
Éric Tremblay VP, Eastern Quebec region	2009	195 000	N/A	100,000	6,027	301,027
	2008	185,000	N/A	100,000	4,466	289,466
	2007	175,000	N/A	75,000	3,866	253,866

(1) On April 21, 2008, the Board of Fund Trustees and the Board of GP Directors, upon recommendation by the Corporate Governance, Nominating and Compensation Committee, decided to terminate the LTIP in accordance with its terms. Further to the termination of the LTIP pursuant to its terms, the LTIP awards credited to the participants under the LTIP have continued to be subject to the time based vesting provisions described in the LTIP as if the LTIP was never terminated. Please refer to the section of this Circular entitled "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Long-Term Incentive Plan" for the details.

(2) The amounts in this column show bonuses earned for performance achieved in the said year, but actually paid in the following year.

(3) The amounts shown on this column are comprised of two elements of compensation:

- i) GENIVAR's contributions to the deferred profit-sharing plan (DPSP), which are equivalent to NEO's contribution up to a maximum amount of 3% of the NEO's base salary subject to the maximum amount permitted under the Tax Act. This amount is based on a matching dollar for dollar from the NEO'S contribution to GENIVAR's group registered retirement savings plan described in the section of this Circular entitled "Group Insurance and Deferred Profit Sharing Plan Benefits".
- ii) The value of distributions made in the said year on unvested LTIP units and reinvested in additional LTIP units. Please refer to the "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Long-Term Incentive Plan" section of this Circular for the details. Those amounts are stated in the following chart:

NEO	2007	2008	2009
Pierre Shoiry	\$7,295	\$16,036	\$23,658
Marcel Boucher	\$2,189	\$4,809	\$7,075
Marc Rivard	\$219	\$481	\$710
Ali Ettehadieh	\$365	\$804	\$1,175
Éric Tremblay	\$365	\$804	\$1,175

(4) GENIVAR LP does not fund any pension plan, nor does it provide any option-based awards or long-term non-equity plan. Consequently, columns relating to these plans do not appear in the above table.

Incentive Plan Awards

Outstanding unit-based awards

Since all of the units awarded in 2006 have become vested on December 31st, 2009, none of the NEOs have unit-based awards outstanding as at the end of the 2009 fiscal year.

Incentive plan awards – value vested or earned during the year

The following table indicates for each of the NEOs the value on their respective vesting dates of the long-term incentive plan units that have become vested during the 2009 fiscal year as well as the value of annual bonus awards earned with respect to the 2009 fiscal year.

<u>Name</u>	<u>Option-based awards - Value vested during the year (\$)</u>	<u>Unit-based awards - Value vested during the year⁽¹⁾ (\$)</u>	<u>Non-equity incentive plan compensation - Value earned during the year⁽²⁾ (\$)</u>
Pierre Shoiry	N/A	288,053	490,000
Marcel Boucher	N/A	86,138	175,000
Marc Rivard	N/A	8,614	140,000
Ali Ettehadieh	N/A	14,356	150,000
Eric Tremblay	N/A	14,356	100,000

- (1) The unit-based awards refer to awards made in the fiscal year 2006 under the long-term incentive plan in place at that time. This number represents the value of 1/3 of the units awarded in the fiscal year 2006 and the additional units purchased on the secondary market with the distributions made thereon from the award date until the December 31, 2009 vesting date. The rate of distribution was \$0.1250 per unit from January 2009 to December 2009. For the fiscal year 2007, the rate of distribution was \$0.0833 per unit. For 2008, the rate of distribution was \$0.0833 per unit from January to June, and this rate was increased to \$0.1250 per unit from July to December. The value of the reinvested distributions applicable to each fiscal year is included in the Summary Compensation Table column "All other compensation". The value of the units that have become vested is based on closing prices of \$26,2579 per unit on December 2nd, 2009 or \$26.3872 per unit on December 7th, 2009 calculation date. Please refer to the section of the Circular entitled "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Long-Term Incentive Plan" for the details.
- (2) Please refer to sections of the Circular entitled "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – Short-Term Incentive Plan" and "Annual Business of the Meeting – Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Elements – 2009 STIP Awards" for details.

Termination and Change of Control Benefits:

Executive Employment Agreements, Change in Responsibilities and Termination of Employment

The NEOs are party to employment agreements with GENIVAR. All the employment agreements are for an indeterminate term. All employment agreements provide that annual compensation (including base salary) and other remuneration, if any, will be determined by the Board of GP Directors.

All employment agreements include confidentiality, non-solicitation and non-competition covenants. The confidentiality covenant applies indefinitely while the non-competition covenant and the non-solicitation covenant applies during the NEO's employment and for a period of one year following the termination of his employment with GENIVAR.

In the event of the termination of a NEO's employment without cause, such NEO is entitled to a reasonable severance payment that takes into account standards of the industry and service to GENIVAR. No amounts of severance payment are specifically provided for in the said employment agreements.

There is no contract, arrangement or any other understanding with respect to termination of employment, or a change of duties or responsibilities following a change of control, between the Fund and any of the NEOs.

Director Compensation

Director Compensation Table

The table below shows the total compensation earned by each respective Fund Trustee and GP Director for services rendered to GENIVAR in the 2009 fiscal year. All fees are paid in Canadian dollars according to the fee schedule described hereinafter. Fund Trustees and GP Directors do not benefit from any unit-based awards, option-based awards, non-equity incentives, pension plan or any other form of compensation. Amounts shown are yearly.

<u>Name</u>	<u>Fees earned⁽¹⁾</u> <u>(\$)</u>	<u>Total compensation</u> <u>(\$)</u>
Daniel Fournier Chairman of the Board	75,000	75,000
Pierre Seccareccia Audit Committee Chairman	55,000	55,000
Richard Bélanger Corporate Governance, Nominating and Compensation Committee Chairman	52,500	52,500
Lawrence Smith Risk Committee Chairman	50,000	50,000
Pierre Simard Member of the Board	45,000	45,000

(1) No compensation is paid to the Fund Trustees who are also members of the management.

Narrative Discussion

Remuneration of the Fund Trustees and GP Directors

The compensation structure of the Board of Fund Trustees and the Board of GP Directors is designed to attract and retain highly talented and experienced trustees and directors, leading to the long-term success of GENIVAR. This requires that Fund Trustees and GP Directors be adequately and competitively compensated.

The Board of Fund Trustees and the Board of GP Directors have determined that the Fund Trustees and GP Directors should be compensated in a form and amount which is appropriate and which is customary for comparable funds, having regard for such matters as time commitment, responsibility and trends in trustee compensation.

As shown in the table above, GENIVAR maintained the compensation it paid to its Fund Trustees and GP Directors. The compensation was established further to a benchmarking exercise conducted with respect to the compensation paid to directors and trustees of public companies comparable to GENIVAR in 2009 and is still aligned with the compensation of the Comparator Group.

The compensation is based on an annual fee, and not on a "per meeting" basis. Compensation for Fund Trustees and GP Directors is \$45,000 per individual per year. The Chairman of the Audit Committee, the Chairman of the Corporate Governance, Nominating and Compensation Committee and the Chairman of the Risk Committee receive an additional compensation of \$10,000, \$7,500 and \$10,000 per year respectively. GENIVAR also reimburses Fund Trustees for out-of-pocket expenses for attending meetings. No compensation is paid to Fund Trustees who are members of management.

Interest of Management and Others in Material Transactions

Other than as set out below or described elsewhere in this Circular, none of the directors, trustees or senior officers, as applicable, of (i) the Fund, the Trust or GENIVAR LP or GENIVAR GP, (ii) GENIVAR Inc., or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in

any transaction within the past three years or in any proposed transaction that has materially affected or will materially affect the Fund, the Trust, GENIVAR LP or GENIVAR GP or any of their Subsidiaries, except for the following transactions.

Certain of the Fund Trustees, Trustees, GP Directors and executive officers of GENIVAR LP were and are also shareholders of GENIVAR Inc.

Pursuant to the Preferred Business Relationship Agreement, GENIVAR Inc. offers its general contracting capabilities to GENIVAR LP's clients at market terms when so requested by GENIVAR LP and GENIVAR LP offers its Engineering Services to GENIVAR Inc. on a preferred basis, including in joint bidding for projects. All joint bidding for projects will be approved by the Corporate Governance, Nominating and Compensation Committee of GENIVAR GP prior to the bid.

On September 13, 2007, the Fund issued, pursuant to the 2007 Public Offering, 1,902,439 Units at a price of \$20.50 per Unit for gross proceeds of \$39,000,000. Concurrently with the closing of the 2007 Public Offering, GENIVAR Inc. purchased, directly and indirectly, on a non-brokered private placement basis, 536,585 Exchangeable LP Units and 536,585 Special Voting Units for a consideration of \$20.50 per Exchangeable LP Unit for gross proceeds of approximately \$11,000,000.

On October 2, 2008, the Fund issued, pursuant to the 2008 Public Offering, 1,391,650 Units at a price of \$25.15 per Unit for gross proceeds of \$34,999,997.50. Concurrently with the closing of the 2008 Public Offering, GENIVAR Inc. purchased, directly and indirectly, on a non-brokered private placement basis, 596,421 Exchangeable LP Units and 596,421 Special Voting Units for a consideration of \$25.15 per Exchangeable LP Unit for gross proceeds of approximately \$15,000,000.

The Securityholders' Agreement provides that, until termination of the Preferred Business Relationship Agreement, all members of the Corporate Governance, Nominating and Compensation Committee will be "independent", within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, of GENIVAR GP and the Existing Investor.

In the context of the acquisitions completed by GENIVAR in the past, the vendors of the acquired businesses generally become shareholders of GENIVAR Inc. which in turn owns a 33.35% direct and indirect interest in GENIVAR. This provides assurances to GENIVAR that vendors of acquired businesses remain with GENIVAR after the acquisition and that their interest are aligned with the business of GENIVAR. In this regard, the acquisition method used by GENIVAR is typically as follows. First, GENIVAR Inc. purchased all of the outstanding shares of a target company. Second and immediately after the first step, all of the assets and liabilities of the target company were transferred to GENIVAR for a consideration identical to the one paid by GENIVAR Inc. for all of the shares of the target company. However, in certain instances, it is determined that an acquisition may be completed more effectively directly by GENIVAR.

Other Important Information

Fund Trustees', Trustees', GP Directors' and Officers' Liability Insurance

The Fund Trustees, Trustees and GP Directors and officers of GENIVAR are covered under (i) a directors and officers insurance policy that provides an aggregate limit of liability to the insured Fund Trustees, GP Directors and officers of \$15 million, and (ii) a directors and officers excess insurance policy that provides an aggregate limit of liability to the insured Fund Trustees, GP Directors and officers of \$15 million.

The Declaration of Trust of the Fund, the Declaration of Trust of the Trust and the by-laws of GENIVAR GP also provide for the indemnification of their respective Fund Trustees, Trustees, GP Directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations.

Aggregate Indebtedness of Directors and Officers

As at April 15, 2010, the Fund, the Trust or GENIVAR had not made any loan to officers, Fund Trustees, GP Directors, employees or former officers, directors and employees of GENIVAR, the Fund or the Trust.

Mail service interruption

If there is a mail service interruption prior to a Unitholder mailing a completed proxy to CIBC Mellon, it is recommended that the Unitholder deposit the completed proxy, in the envelope provided, at any of the following offices of CIBC Mellon:

Alberta

600 The Dome Tower
6th Floor
333 – 7th Avenue S.W.
Calgary, AB

Ontario

320 Bay St.
Banking Hall
Toronto, ON

British Columbia

1066 West Hastings St.
The Oceanic Plaza
Suite 1600
Vancouver, BC

Québec

2001 University Street
Suite 1600
Montreal, QC

Nova Scotia

1660 Hollis Street
Suite 406
Halifax, NS

How to Request More Information

Documents you can request

You can ask us for a copy of the following documents at no charge:

- the annual report of the Fund for the year ended December 31, 2009, which includes both entities' annual consolidated financial statements, together with the auditors' report and the MD&A related to each such annual consolidated financial statements;
- any interim financial statements of the Fund that were filed after the consolidated financial statements for their most recently completed fiscal year;
- the MD&A for such interim financial statements; and
- the AIF, together with any document, or the relevant pages of any document, incorporated by reference into it.

Please write to Unitholder Relations, 1600, René-Lévesque Blvd. West, 16th Floor, Montreal, Québec, H3H 1P9.

The above documents, in addition to the AIF, are also available on our website at www.GENIVAR.com and on SEDAR at www.sedar.com. All of our news releases are also available on our website.

APPROVAL OF TRUSTEES

The content and the sending of this Circular to Voting Unitholders of the Fund have been approved by the Fund Trustees.

April 15, 2010

A handwritten signature in cursive script that reads "Daniel Fournier".

**By order of the Fund Trustees, Daniel Fournier,
Chairman of the Board of Fund Trustees, the Board
of Trustees and the Board of GP Directors**

VALUATOR'S CONSENT

We refer to the valuation which we prepared in connection with the management information circular of GENIVAR Income Fund (the "**Fund**") dated April 15, 2010 (the "**Circular**") relating to the proposed plan of arrangement among the Fund, GENIVAR Operating Trust, GENIVAR GP Inc., GENIVAR Limited Partnership, GENIVAR Ontario Inc., GENIVAR Consultants Limited Partnership, GENIVAR Inc. and GENIFINANCE (2006) Inc. (the "**Valuation**"). We consent to the filing of the Valuation with all applicable Canadian securities regulatory authorities and the inclusion of the Valuation in the Circular.

DATED: April 15, 2010

(signed) *KPMG LLP*

CONSENT OF BLAIR FRANKLIN

To: The board of trustees of GENIVAR Income Fund (the "**Board of Fund Trustees**") and the special committee of the Board of Fund Trustees (the "**Special Committee**").

We refer to the fairness opinion dated April 15, 2010 (the "**Fairness Opinion**"), which we prepared for the Board of Fund Trustees and the Special Committee for the Arrangement (as defined in the management information circular of GENIVAR Income Fund dated April 15, 2010). We consent to the inclusion of the Fairness Opinion, and all references thereto, in the management information circular of GENIVAR Income Fund dated April 15, 2010. In providing such consent, we do not intend that any person other than the Board of Fund Trustees and the Special Committee rely on such opinion.

(signed) *Blair Franklin Capital Partners Inc.*

Toronto, Ontario

April 15, 2010

AUDITORS' CONSENT

The Board of Trustees of GENIVAR Income Fund

We have read the GENIVAR Income Fund (the "**Fund**") Notice of Annual and Special Meeting of Unitholders and the Management Information Circular dated April 15, 2010 with respect to a Plan of Arrangement involving the Fund, GENIVAR Inc., GENIVAR Operating Trust, GENIVAR GP Inc., GENIVAR Limited Partnership, GENIVAR Consultants Limited Partnership, GENIVAR Ontario Inc., Genifinance (2006) Inc. (the "**Circular**"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Circular of our report to the unitholders of the Fund on the consolidated balance sheets of the Fund as at December 31, 2009 and 2008 and the consolidated statements of earnings and comprehensive income, retained earnings and contributed surplus and cash flows for each of the years in the two-year period ended December 31, 2009. Our report is dated March 22, 2010.

(signed) *PricewaterhouseCoopers LLP*

Chartered Accountants

Montreal, Canada

April 15, 2010

**APPENDIX A
ARRANGEMENT RESOLUTION**

Capitalized terms herein have the meanings ascribed thereto in the management information circular of GENIVAR Income Fund (the "**Fund**") dated April 15, 2010 ("**Circular**").

BE IT RESOLVED THAT:

1. the arrangement ("**Arrangement**") under Section 192 of the *Canada Business Corporations Act* substantially as set forth in the Plan of Arrangement (the "**Plan of Arrangement**") attached as Schedule B to Appendix C to the Circular and all transactions contemplated thereby, be and are hereby authorized and approved;
2. the arrangement agreement ("**Arrangement Agreement**") dated April 15, 2010, among the Fund, GENIVAR Operating Trust (the "**Trust**"), GENIVAR GP Inc., GENIVAR Limited Partnership, GENIVAR Consultants Limited Partnership, GENIVAR Ontario Inc., GENIVAR Inc. and GENIFINANCE (2006) Inc., a copy of which is attached as Appendix C to the Circular, together with such amendments or variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 6 hereof, such approval to be evidenced conclusively by the execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved;
3. the amendments to the Fund Declaration of Trust and the Trust Declaration of Trust, the GENIVAR LP Agreement and the GENIVAR Consultants LP Agreement, as necessary to facilitate the Arrangement and also as provided in the Arrangement Agreement, be and they are hereby authorized and approved;
4. notwithstanding that this resolution has been duly passed, the Board of Fund Trustees, the Board of Trustees or the Board of GP Directors, without further notice to or approval of the Voting Unitholders, subject to the terms of the Arrangement, may amend or terminate the Arrangement Agreement or the Plan of Arrangement, with the prior written consent of GENIVAR Inc., or revoke this resolution at any time prior to the filing of the Articles of Arrangement giving effect to the Arrangement, provided that any amendment that changes the consideration to be received by the Unitholders, the GENIVAR Inc. Shareholders, and/or the GENIFINANCE Shareholders pursuant to the Arrangement is brought to the attention of the Court before approval of the Final Order and is subject to such requirements as may be ordered by the Court;
5. any adjustment to the GENIVAR Share Conversion Ratio made in accordance with the terms of the Arrangement Agreement (as amended) as may be approved by the persons referred to in paragraph 6 hereof is hereby confirmed, ratified and approved; and
6. any trustee, director or officer of the Fund, the Trust, GENIVAR GP or GENIVAR LP is hereby authorized, for and on behalf of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario, to execute and deliver Articles of Arrangement and to execute, with or without the corporate seal and, if appropriate, deliver all other documents and instruments and do all other things as in the opinion of such trustee, 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.

**APPENDIX B
INTERIM ORDER**

CANADA

SUPERIOR COURT
(Commercial Division)

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-038862-104

Date: April 23, 2010

Present: Christiane Alary, J.S.C.

GENIVAR INC.

-and-

GENIFINANCE (2006) INC.

Applicants

-and-

GENIVAR INCOME FUND

-and-

SHAREHOLDERS of GENIVAR Inc. and
GENIFINANCE (2006) Inc.

-and-

HOLDERS OF UNITS of the GENIVAR
Income Fund

-and-

THE DIRECTOR APPOINTED UNDER
SECTION 260 OF THE CANADA BUSINESS
CORPORATIONS ACT (the "Director")

Mis-en-cause

INTERIM ORDER

- [1] **CONSIDERING** the Application for Interim and Final Orders with respect to an Arrangement filed by Genivar Inc. and Genifinance (2006) Inc. ("**GENIFINANCE**") on April 22, 2010;
- [2] **CONSIDERING** the affidavits in support thereof executed by Marcel Boucher and Anne-Marie Laberge that same date;
- [3] **CONSIDERING** the letter issued by Valérie Carpentier of the Compliance and Policy Directorate of Corporations Canada on April 22, 2010 confirming that the Director appointed under the *Canada Business Corporations Act* does not need to appear to be heard on the Application at the interim level;

FOR THESE REASONS, THE COURT:

- [4] **GRANTS** the present application for interim order (the "**Interim Order**");
- [5] **RENDERS** the following orders with respect to the meeting of the holders of units of the Genivar Income Fund (the "**Fund**") to consider the plan of arrangement proposed by the Applicants;
- [i] **AUTHORIZES AND DIRECTS** the Fund to call, hold and conduct an annual and special meeting (the "**Unitholders Meeting**") of the holders of units (the "**Units**") of the Fund (the "**Unitholders**") and the holders of special voting units (the "**Special Voting Units**") of the Fund (together with the Unitholders, the "**Voting Unitholders**"), such Unitholders Meeting to be called, held and conducted in accordance with the declaration of trust dated March 31, 2006 (as amended) (the "**Fund Declaration of Trust**") pursuant to which the Fund was created, the provisions of the CBCA, the rulings and directions of the chair of the Unitholders Meeting and the Interim Order sought herein for the purpose of considering and, if deemed advisable, passing a special resolution (the "**Fund Arrangement Resolution**") to approve a plan of arrangement (the "**Plan of Arrangement**") attached as Exhibit A to the multi-party agreement relative to the Arrangement (the "**Arrangement Agreement**"), being Appendix C to the management information circular of the Fund (the "**Fund Circular**") (Exhibit R-5), and to transact such other business as may properly come before the Unitholders Meeting;
- [ii] **AUTHORIZES** the Fund to make such amendments, revisions or supplements to the Fund Circular (including to the Fund Arrangement Resolution, the Plan of Arrangement and the other appendices) as it may determine necessary until such time as the notice of the Unitholders Meeting is given, without any additional notice to the Voting Unitholders and **DECLARES** that the Fund Arrangement Resolution and the Plan of Arrangement, as amended, revised or supplemented, shall be the ones submitted at the Unitholders Meeting;
- [iii] **AUTHORIZES** the Fund to hold the Unitholders Meeting on or after May 27, 2010 at 10:00 a.m. (Montréal time) at McCord Museum (J. Armand Bombardier Hall), situated at 690 Sherbrooke Street West, in the City of Montréal;

- [iv] **ORDERS** that the only persons entitled to attend and be heard at the Unitholders Meeting shall be the Voting Unitholders as at the close of business on April 20, 2010, their proxy holders, the directors of the Applicants and the representatives of the Fund, provided however, that such other persons having the permission of the chair of the Unitholders Meeting shall also be entitled to attend and be heard at the Unitholders Meeting;
- [v] **AUTHORIZES** the Fund to adjourn or postpone the Unitholders Meeting on one or more occasions (whether or not a quorum is present) without the necessity of first convening the Unitholders Meeting or first obtaining any vote of the Voting Unitholders in respect of the adjournment or postponement;
- [vi] **ORDERS** that notice of any adjournment or postponement shall be given by mail, press release or newspaper advertisement, as determined to be the most appropriate method of communication by the Fund;
- [vii] **ORDERS** that the Fund send the notice of the Unitholders Meeting no less than twenty-one days before the Unitholders Meeting to beneficial holders of Units in accordance with 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*;
- [viii] **ORDERS** that the Fund send by mail to the Voting Unitholders a copy of the documents filed herewith as Exhibits R-5 and R-6 in substantially the form filed, being the proxy form and the Fund Circular, the latter including, *inter alia*, a copy of the Fund Arrangement Resolution, of the Arrangement Agreement and of the Interim Order to be rendered herein, being respectively Appendices A, D and B to the Fund Circular, all with such changes as may be deemed necessary or advisable by the Fund to, amongst others, respond to the requirements of any regulatory authority having jurisdiction over the Fund (collectively referred to as the "**Fund Proxy Material**");
- [ix] **DECLARES** that the Fund Proxy Material shall be deemed, for the purposes of the Interim Order, the Unitholders Meeting and the final order (the "**Final Order**") to have been received by and served on the beneficial Voting Unitholders three days after delivery thereof to CIBC Mellon Trust Company and Broadridge Financial Solutions Inc.;

- [x] **ORDERS** that notice of any amendments, updates or supplements to any of the information provided in the Unitholders Meeting and the Fund Proxy Material, if such notice is otherwise required, may be communicated to the Voting Unitholders by press release, newspaper advertisement, by electronic means or by notice one of the methods specified therein as determined by the board of trustees of the Fund. Any such amendments, updates or supplements to any of the Unitholders Meeting and the Fund Proxy Material, and any notice of any adjournment or postponement of the Unitholders Meeting, will be deemed to have been received in the case of mailing courier, delivery in person, facsimile transmission or transmission by electronic means, within the times provide in paragraph [ix] above and, in the case of the press release or advertisement, at the time of publications as the case may be;
- [xi] **DECLARES** that the failure or omission to give notice of the Unitholders Meeting (provided it does not, to the knowledge of the Fund, result in a material number of Voting Unitholders not receiving the notice of meeting of Voting Unitholders) as a result of mistake or events beyond the reasonable control of the Fund or the non-receipt of such notice shall not invalidate any resolution passed or proceeding taken at the Unitholders Meeting and shall not constitute a breach of the Interim Order or defect in the calling of the Unitholders Meeting, provided that if any such failure or omission is brought to the attention of the Fund, the Fund shall use reasonable efforts to rectify such failure or omission by the method and in the time it determines to be most practicable in the circumstances;
- [xii] **DECLARES** that the Voting Unitholders may authorize the transactions contemplated in the Plan of Arrangement by having the Fund Arrangement Resolution passed at the Unitholders Meeting by at least 66 2/3% of the votes cast by the Voting Unitholders, in person or by proxy and entitled to vote at the Unitholders Meeting and by a simple majority of the votes cast at the Unitholders Meeting, in person or by proxy, by Unitholders who are disinterested Unitholders, as required by MI 61-101 - *Protection of Minority Security Holders in Special Transactions* ;
- [xiii] **ORDERS** that in respect of the vote on the Fund Arrangement Resolution or any matter determined by the chair of the Unitholders Meeting to be related to the Plan of Arrangement,

each Voting Unitholder shall be entitled to cast one vote in respect of each such Unit or Special Voting Unit of the Fund;

- [xiv] **ORDERS** that for the purposes of the vote on the Fund Arrangement Resolution, or any other vote taken at the Unitholders Meeting, any spoiled ballots, illegible ballots and defective ballots shall be deemed not to be votes cast by the Voting Unitholders and further **ORDERS** that proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Fund Arrangement Resolution;
- [xv] **ORDERS** that the Fund is authorized to solicit proxies on behalf of the management of the Fund, directly and through its officers and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine; and that the Fund may waive, in its discretion, the time limits for the deposit of proxies by the Voting Unitholders if the Fund considers it advisable to do so;
- [xvi] **ORDERS** that at any reconvening of the Unitholders Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Unitholders Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Unitholders Meeting ;
- [xvii] **ORDERS**, in relation to dissent rights, that:
- (a) registered Unitholders shall be entitled to dissent from the Fund Arrangement Resolution approving the Plan of Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement;
 - (b) a registered Unitholder who wishes to dissent ("**Dissenting Unitholder**") shall provide a written objection to the Fund Arrangement Resolution to the Fund at 1600 René-Lévesque Boulevard West, 16th Floor, in the City of Montréal, to the attention of Anne-Marie Laberge, Corporate Secretary, prior to 5 o'clock p.m. (Montréal time) on the last business day immediately preceding the Unitholders Meeting);

- (c) any Dissenting Unitholder shall be entitled, in the event that the Plan of Arrangement becomes effective, to be paid the fair value of the Units held by such Dissenting Unitholder, in accordance with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement;

[6] **RENDERS** the following orders with respect to the meeting of shareholders of GENIVAR Inc. and GENIFINANCE to consider the Plan of Arrangement;

[i] **AUTHORIZES AND DIRECTS** GENIVAR Inc. and GENIFINANCE to call, hold and conduct an annual and special joint meeting (the "**Shareholders Meeting**") of the shareholders of GENIVAR Inc. and the shareholders of GENIFINANCE, such Meeting to be called, held and conducted in accordance with the provisions of the CBCA, the by-laws of GENIVAR Inc. and the by-laws of GENIFINANCE, as applicable, the rulings and directions of the chair of the Shareholders Meeting and the Interim Order sought for the purpose of considering and, if deemed advisable, passing (i) a special resolution of the shareholders of GENIVAR Inc. (the "**GENIVAR Inc. Arrangement Resolution**") and (ii) a special resolution of the shareholders of GENIFINANCE (the "**GENIFINANCE Arrangement Resolution**"), to approve the Plan of Arrangement attached as Exhibit A to the Arrangement Agreement being Appendix C to the Fund Circular, which will be sent concurrently with the management information circular of GENIVAR Inc. and GENIFINANCE (the "**Shareholders Circular**") (Exhibit R-3), and to transact such other business as may properly come before the Shareholders Meeting;

[ii] **AUTHORIZES** GENIVAR Inc. and GENIFINANCE to make such amendments, revisions or supplements to the Shareholders Circular (including to the GENIVAR Inc. Arrangement Resolution and the GENIFINANCE Arrangement Resolution) and the Plan of Arrangement and the other schedules) as they may determine necessary until the earlier of the (i) time at which the notice of the Shareholders Meeting is given and (ii) the time at which the notice of the Unitholders Meeting is given, without any additional notice to the shareholders of GENIVAR Inc. and GENIFINANCE and **DECLARES** that the GENIVAR Inc. Arrangement Resolution, the GENIFINANCE Arrangement Resolution and the Plan of Arrangement, as amended, revised or

supplemented, shall be the ones submitted at the Shareholders Meeting;

- [iii] **AUTHORIZES** GENIVAR Inc. and GENIFINANCE to hold the Shareholders Meeting on or after May 27, 2010 at 8:00 a.m. (Montréal time) at McCord Museum (J. Armand Bombardier Hall), situated at 690 Sherbrooke Street West, in the City of Montréal;
- [iv] **ORDERS** that the only persons entitled to attend and be heard at the Shareholders Meeting shall be the shareholders of GENIVAR Inc. and GENIFINANCE as at the close of business on April 27, 2010, their proxy holders, the directors of the Applicants, the members of the board of trustees of the Fund and the representatives of the Fund, provided however, that such other persons having the permission of the chair of the Shareholders Meeting shall also be entitled to attend and be heard at the Shareholders Meeting;
- [v] **AUTHORIZES** GENIVAR Inc. and GENIFINANCE to adjourn or postpone the Shareholders Meeting on one or more occasions (whether or not a quorum of the shareholders of GENIVAR Inc. and GENIFINANCE is present) without the necessity of first convening the Shareholders Meeting or first obtaining any vote of the shareholders of GENIVAR Inc. and GENIFINANCE in respect of the adjournment or postponement;
- [vi] **ORDERS** that notice of any adjournment or postponement shall be given by mail, e-mail or intranet, as determined to be the most appropriate method of communication by GENIVAR Inc. and GENIFINANCE;
- [vii] **ORDERS** that GENIVAR Inc. and GENIFINANCE send the notice of the Shareholders Meeting in accordance with the provisions of the by-laws of GENIVAR Inc. and the by-laws of GENIFINANCE, (1) by mailing the same by prepaid ordinary post to the address of or (2) by delivering in person (by the agents of GENIVAR Inc. or the employees of the Fund) to each shareholder of GENIVAR Inc. and GENIFINANCE as recorded on the books of GENIVAR Inc. and GENIFINANCE as of the close of business on April 27, 2010, provided that GENIVAR Inc. and GENIFINANCE shall complete the mailing or delivery of such notice of Shareholders Meeting no less than twenty-one days before the Shareholders Meeting;

- [viii] **ORDERS** that GENIVAR Inc. and GENIFINANCE send by mail or deliver in person to the shareholders of GENIVAR Inc. and to the shareholders of GENIFINANCE a copy of the Fund Circular in substantially the form filed herewith as Exhibit R-5, the Shareholders Circular in substantially the form filed and the documents filed herewith as Exhibits R-3 and R-4 in substantially the form filed, being the proxy form and the Shareholders Circular, the latter including, *inter alia*, a copy of the GENIVAR Inc. Arrangement Resolution and the GENIFINANCE Arrangement Resolution, the Shareholders Circular, all with such changes as may be deemed necessary or advisable by GENIVAR Inc. and GENIFINANCE to, amongst others, respond to the requirements of any regulatory authority having jurisdiction over GENIVAR Inc. and GENIFINANCE (collectively referred to as the "**Shareholders Proxy Material**");
- [ix] **DECLARES** that the Shareholders Proxy Material and the Fund Circular shall be deemed, for the purposes of the Interim Order, the Shareholders Meeting and the final order (the "**Final Order**") to be received by and served on the shareholders of GENIVAR Inc. and GENIFINANCE three days after delivery thereof to the post office or on the same day of receipt thereof by a Shareholder of GENIVAR Inc. or GENIFINANCE;
- [x] **ORDERS** that notice of any amendments, updates or supplements to any of the information provided in the Shareholders Meeting and the Shareholders Proxy Material, if such notice is otherwise required, may be communicated to the shareholders of GENIVAR Inc. and GENIFINANCE by press release, newspaper advertisement, by electronic means or by notice one of the methods specified therein as determined by the boards of directors of GENIVAR Inc. and GENIFINANCE. Any such amendments, updates or supplements to any of the Shareholders Meeting and the Shareholders Proxy Material, and any notice of any adjournment or postponement of the Shareholders Meeting, will be deemed to have been received in the case of mailing courier, delivery in person, facsimile transmission or transmission by electronic means, within the times provide in paragraph [ix] above and, in the case of the press release or advertisement, at the time of publications as the case may be;
- [xi] **DECLARES** that the failure or omission to give notice of the Shareholders Meeting (provided it does not, to the knowledge of

GENIVAR Inc. and GENIFINANCE, result in a material number of shareholders of GENIVAR Inc. and GENIFINANCE not receiving the notice of Shareholders Meeting) as a result of mistake or events beyond the reasonable control of GENIVAR Inc. or GENIFINANCE or the non-receipt of such notice shall not invalidate any resolutions passed or proceedings taken at the Shareholders Meeting and shall not constitute a breach of the Interim Order or defect in the calling of the Shareholders Meeting, provided that if any such failure or omission is brought to the attention of the GENIVAR Inc. and GENIFINANCE, GENIVAR Inc. and GENIFINANCE shall use reasonable efforts to rectify such failure or omission by the method and in the time it determines to be most practicable in the circumstances;

- [xii] **DECLARES** that the shareholders of GENIVAR Inc. may authorize the transactions contemplated in the Plan of Arrangement by the GENIVAR Inc. Arrangement Resolution passed at the Shareholders Meeting by at least 66 ²/₃% of the votes cast by the shareholders of GENIVAR Inc., voting together as one class, present or represented by proxy and entitled to vote at the Shareholders Meeting
- [xiii] **DECLARES** that GENIFINANCE may, twenty (20) minutes later and provided that the GENIVAR Inc. Arrangement Resolution is approved by the shareholders of GENIVAR Inc., cast its votes with respect to the class "D" preferred shares of GENIVAR Inc. "FOR" the GENIVAR Inc. Arrangement Resolution;
- [xiv] **DECLARES** that the shareholders of GENIFINANCE may authorize the transactions contemplated in the Plan of Arrangement by the GENIFINANCE Arrangement Resolution passed at the Shareholders Meeting by at least 66 ²/₃% of the votes cast by the shareholders of GENIFINANCE, voting together as one class, present or represented by proxy and entitled to vote at the Shareholders Meeting;
- [xv] **ORDERS** that in respect of the vote on the GENIVAR Inc. Arrangement Resolution and the GENIFINANCE Arrangement Resolution or any matter determined by the chair of the Shareholders Meeting to be related to the Plan of Arrangement, each shareholder of GENIVAR Inc. shall be entitled to the number of votes attached to the shares of each class held and each shareholders of GENIFINANCE shall be entitled to cast one vote in respect of each share held;

- [xvi] **ORDERS** that for the purposes of the vote on the GENIVAR Inc. Arrangement Resolution and the GENIFINANCE Arrangement Resolution, or any other vote taken at the Shareholders Meeting, any spoiled ballots, illegible ballots and defective ballots shall be deemed not to be votes cast by the shareholders of GENIVAR Inc. and GENIFINANCE and further **ORDERS** that proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favor of the GENIVAR Inc. Arrangement Resolution and the GENIFINANCE Arrangement Resolution;
- [xvii] **ORDERS** that GENIVAR Inc. and GENIFINANCE are authorized to solicit proxies on behalf of the managements of GENIVAR Inc. and GENIFINANCE, directly and through their officers and employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as they may determine; and that GENIVAR Inc. and GENIFINANCE may waive, in their discretion, the time limits for the deposit of proxies by the shareholders of GENIVAR Inc. and GENIFINANCE if GENIVAR Inc. and GENIFINANCE consider it advisable to do so;
- [xviii] **ORDERS** that at any reconvening of the Shareholders Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Shareholders Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Shareholders Meeting;
- [xix] **ORDERS**, in relation to dissent rights in favour of shareholders of GENIVAR Inc., that:
- (a) registered shareholders of GENIVAR Inc. shall be entitled to dissent from the GENIVAR Inc. Arrangement Resolution, as applicable, approving the Plan of Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement;
 - (b) a registered shareholder of GENIVAR Inc. who wishes to dissent (a "**Dissenting GENIVAR Inc. Shareholder**") shall provide a written objection to the GENIVAR Inc. Arrangement Resolution to GENIVAR Inc., at 1600 René-Lévesque Boulevard West, 16th Floor, in the City of

Montréal, to the attention of Anne-Marie Laberge, prior to 5 o'clock p.m. (Montréal time) on the last business day immediately preceding the Shareholders Meeting);

- (c) any Dissenting GENIVAR Inc. Shareholder shall be entitled, in the event that the Plan of Arrangement becomes effective, to be paid the fair value of the shares of GENIVAR Inc., held by such Dissenting GENIVAR Inc. Shareholder, in accordance with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement;

[xx] **ORDERS**, in relation to dissent rights in favour of shareholders of GENIFINANCE, that:

- (a) registered shareholders of GENIFINANCE shall be entitled to dissent from the GENIFINANCE Arrangement Resolution, as applicable, approving the Plan of Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement;
- (b) a registered shareholder of GENIFINANCE who wishes to dissent (a "**Dissenting GENIFINANCE Shareholder**") shall provide a written objection to the applicable GENIFINANCE Arrangement Resolution to GENIFINANCE, at 1600 René-Lévesque Boulevard West, 16th Floor, in the City of Montréal, to the attention of Anne-Marie Laberge, prior to 5 o'clock p.m. (Montréal time) on the last business day immediately preceding the Shareholders Meeting);
- (c) any Dissenting GENIFINANCE Shareholder shall be entitled, in the event that the Plan of Arrangement becomes effective, to be paid the fair value of the shares of GENIFINANCE, held by such Dissenting GENIFINANCE Shareholder, in accordance with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement;

[7] **RENDERS** the following orders with respect to both the Shareholders Meeting and the Unitholders Meeting;

- [i] **AUTHORIZES** the Applicants to petition this Honorable Court and, if and when necessary, to seek any variations or additions to the Interim Order;

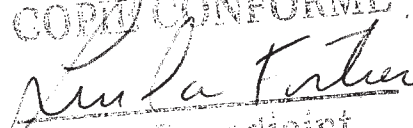
- [ii] **AUTHORIZES** that the adjustment to the Share Conversion Ratio be announced by the Fund by way of a news release on December 31, 2010, as contemplated by the Arrangement Agreement;
- [iii] **AUTHORIZES** the Applicants to present the present application for the Final Order before this Honorable Court on ~~June 7~~^{14 EA}, 2010 or at any other date following notification by news release to the Unitholders and appropriate notice to the shareholders of GENIVAR Inc. and GENIFINANCE of the date of presentation of the present application for a Final Order before this Honorable Court, at least two (2) days before such date, without further notice;
- [iv] **DECLARES** that compliance with the terms of the Interim Order shall constitute good and sufficient service of this application for Final Order by the Applicants and the Fund to all of the Unitholders, to the shareholders of GENIVAR Inc., to the shareholders of GENIFINANCE and to any other person and that no other form of service need be made and no other material need be sent or served on such persons in respect of these proceedings, whether they reside within Québec or in another jurisdiction;
- [v] **DECLARES** that the Applicants and the Fund are entitled to make proof of service by way of an affidavit of one of their officers to the effect that the Fund Proxy Material and the Shareholders Proxy Material was sent in accordance with the Interim Order;
- [vi] **DECLARES** that the Voting Unitholders (and any transferee after the record date of April 20, 2010), the shareholders of GENIVAR Inc. (and any transferee after the record date of April 27, 2010), the shareholders of GENIFINANCE (and any transferee after the record date of April 27, 2010) and all other persons notified in accordance with the Interim Order will be duly called parties to the application for Final Order and will be bound by the orders and findings of this Court in connection with the Final Order;
- [vii] **ORDERS** that the Applicants shall produce in the Court record a certified copy of the Fund Arrangement Resolution, the GENIVAR Inc. Arrangement Resolution and the GENIFINANCE Arrangement Resolution duly passed prior to or during the hearing of the application for a Final Order;

- [viii] **ORDERS** that, should any shareholders of GENIVAR Inc. and GENIFINANCE or any Unitholders wish to appear and contest the present Application at the final hearing, that such shareholder or Unitholder file in the Court record and serve upon Applicants' counsel *ad litem*, Stikeman Elliott LLP, care of Mtre Marc-André Coulombe, an appearance and contestation with affidavits and all supporting exhibits no later than May 31st, 2010;
- [8] **ORDERS** the provisional execution of the Interim Order to be rendered therein notwithstanding appeal;
- [9] **THE WHOLE**, without costs.

MONTREAL, April 23, 2010



Christiane Alary, J.S.C.

COPIE CONFORME

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APPENDIX C
ARRANGEMENT AGREEMENT

ARRANGEMENT AGREEMENT

AMONG

GENIVAR INCOME FUND

- and -

GENIVAR OPERATING TRUST

- and -

GENIVAR GP INC.

- and -

GENIVAR LIMITED PARTNERSHIP

- and -

GENIVAR ONTARIO INC.

- and -

GENIVAR CONSULTANTS LIMITED PARTNERSHIP

- and -

GENIVAR INC.

- and -

GENIFINANCE (2006) INC.

April 15, 2010

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is dated April 15, 2010

AMONG:

GENIVAR INCOME FUND, a trust established under the Laws of Québec
(the "**Fund**")

- and -

GENIVAR OPERATING TRUST, a trust established under the Laws of Québec
(the "**Trust**")

- and -

GENIVAR GP INC., a corporation incorporated under the Laws of Canada
("**GENIVAR GP**")

- and -

GENIVAR LIMITED PARTNERSHIP, a limited partnership constituted under
the Laws of Québec
("**GENIVAR LP**")

- and -

GENIVAR ONTARIO INC., a corporation amalgamated under the Laws of
Ontario
("**GENIVAR Ontario**")

- and -

GENIVAR CONSULTANTS LIMITED PARTNERSHIP, a limited partnership
constituted under the Laws of Québec
("**GENIVAR Consultants LP**")

- and -

GENIVAR INC., a corporation incorporated under the Laws of Canada
("**GENIVAR Inc.**")

- and -

GENIFINANCE (2006) INC., a corporation incorporated under the Laws of Canada

("GENIFINANCE")

WHEREAS the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario, GENIVAR Inc. and GENIFINANCE wish to propose an arrangement with the holders of units of the Fund (the "**Unitholders**"), the holders of shares of GENIVAR Inc. (the "**Shareholders**") and the holders of shares of GENIFINANCE (the "**GENIFINANCE Shareholders**");

AND WHEREAS GENIVAR GP is a direct wholly-owned Subsidiary of the Trust;

AND WHEREAS GENIVAR Ontario is an indirect Subsidiary of the Fund;

AND WHEREAS GENIVAR GP is the general partner of GENIVAR LP with exclusive authority to manage the business and affairs of GENIVAR LP;

AND WHEREAS GENIVAR Ontario is the general partner of GENIVAR Consultants LP with exclusive authority to manage the business and affairs of GENIVAR Consultants LP;

AND WHEREAS GENIVAR Inc. is the holder, directly or indirectly, of all of the issued and outstanding Special Voting Units (as defined herein) and of an aggregate of 9,060,387 Class B LP Units (as defined below) and Class C LP Units (as defined below) of GENIVAR LP (the "**Exchangeable LP Units**")

AND WHEREAS GENIFINANCE is the holder of all the issued and outstanding preferred shares Class "D" of GENIVAR Inc.;

AND WHEREAS the parties intend to carry out the transactions contemplated herein by way of a statutory plan of arrangement under Section 192 of the *Canada Business Corporations Act* on the terms of the plan of arrangement annexed hereto as Schedule B, in order to proceed with the reorganization of the Fund's income trust structure into a publicly traded corporation and the combination of GENIVAR Inc. and GENIFINANCE with the Fund, which corporation will be named "GENIVAR Inc." ("**New GENIVAR**");

AND WHEREAS the trustees of the Fund ("**Fund Trustees**") have: (a) determined that the Arrangement (as defined herein) is in the best interests of the Fund and the Unitholders (other than the Excluded Unitholders (as defined herein)), (b) unanimously approved the transactions contemplated by this Agreement and the Plan of Arrangement, and (c) determined to recommend approval of the transactions contemplated hereby and under the Arrangement to the Unitholders (other than the Excluded Unitholders); and

AND WHEREAS the directors of GENIVAR Inc. and GENIFINANCE (the "**Directors**") have: (a) determined that this transaction to be effected pursuant to the Arrangement is in the best

interests of GENIVAR Inc., GENIFINANCE, the holders of Common Shares (as defined herein) and the GENIFINANCE Shareholders, (b) unanimously approved the transactions contemplated by this Agreement and the Plan of Arrangement, and (c) determined to recommend approval of the transactions contemplated hereby and under the Arrangement to the holders of Common Shares (as defined herein) and the GENIFINANCE Shareholders;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, including the recitals hereto, the following words and terms have the meanings set out below.

- 1.1.1 "**Accounts Receivable**" means all accounts receivable, notes receivable and other debts due or accruing to GENIVAR Inc., its Subsidiaries or GENIFINANCE;
- 1.1.2 "**Acquisition Agreement**" means the acquisition agreement dated May 25, 2006 entered into between GENIVAR Inc., GENIVAR LP, GENIVAR GP and GENIVAR Acquisitions Ltd.;
- 1.1.3 "**Affiliate**" means, in respect of a Person, another Person that would be considered an "affiliated entity" in respect of such Person for the purposes of MI 61-101;
- 1.1.4 "**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- 1.1.5 "**Arrangement**" means the proposed arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with sections 1.8 and 8.1 hereof or Article 6 of the Plan of Arrangement, or made at the direction of the Court in the Final Order;
- 1.1.6 "**Assets**" means all property and assets of GENIVAR Inc., its Subsidiaries or GENIFINANCE of every nature and kind and wheresoever situated including (i) all equipment, technology and communications hardware and infrastructure, furniture, accessories and supplies of all kinds, (ii) all real property; (iii) all Accounts Receivable and the full benefit of all security for the Accounts Receivable, (iv) all prepaid expenses, (v) the full benefit of all Contracts to which GENIVAR Inc., its Subsidiaries or GENIFINANCE is a party, (vi) all the Work-in-Progress and (vii) the Books and Records;

- 1.1.7 "**Authorization**" means, with respect to any Person, any order, permit, approval, waiver, licence, certificate, registration, consent, agreement or similar authorization of any Governmental Authority having jurisdiction over such Person;
- 1.1.8 "**Books and Records**" means all information in any form relating to the business of GENIVAR Inc., its Subsidiaries or GENIFINANCE including books of account, financial and accounting information and records, personnel records, tax records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections, marketing and advertising materials and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices).
- 1.1.9 "**Buildings and Fixtures**" means all plants, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situated on any of the Owned Properties;
- 1.1.10 "**Business Day**" means any day, other than Saturday, Sunday or any statutory holiday, when banks are generally open in the City of Montreal, in the Province of Québec, for the transaction of banking business;
- 1.1.11 "**CBCA**" means the *Canada Business Corporations Act* and the regulations thereto, as now in effect;
- 1.1.12 "**Certificate**" has the meaning set out in section 5.2(k) hereof;
- 1.1.13 "**Charges**" means any security interest, Lien, charge, pledge, encumbrance, mortgage, adverse claim, leasehold or subleasehold estate or title retention agreement of any nature or kind;
- 1.1.14 "**Class A LP Units**" means the Class A units of GENIVAR LP;
- 1.1.15 "**Class B LP Units**" means the Class B units of GENIVAR LP;
- 1.1.16 "**Class C LP Units**" means the Class C units of GENIVAR LP;
- 1.1.17 "**Common Shares**" means the class "A" to "LL" common shares (including the series 1 common shares) in the share capital of GENIVAR Inc.
- 1.1.18 "**Contract**" means any agreement, undertaking, commitment, guarantee, indenture, lease, or other legally binding instrument, whether written or oral;
- 1.1.19 "**Court**" means the Superior Court of Québec;

- 1.1.20 "**Conversion Step Plan**" means the conversion step memorandum dated April 9, 2010 formally delivered to the Fund (the "**Conversion Step Plan**");
- 1.1.21 "**Damages**" means any losses, liabilities, damages or expenses (including legal fees and expenses) whether resulting any breach of representations, warranties or covenants by GENIVAR Inc. or GENIFINANCE contained in this Agreement or in a Certificate, and for greater certainty, includes any Potential Damages that became Damages;
- 1.1.22 "**Director**" means the director appointed under section 260 of the CBCA;
- 1.1.23 "**Directors**" means the directors of GENIVAR Inc. and GENIFINANCE as of the date hereof;
- 1.1.24 "**Disclosure Letter**" means the letter dated the date of this Agreement and delivered by GENIVAR Inc. and GENIFINANCE to the Fund concurrently herewith;
- 1.1.25 "**Dividend Amount**" means a dividend to be declared by GENIVAR Inc. on December 31, 2010 on the Common Shares and payable by the issuance of the Dividend Promissory Notes, the whole in accordance with the Plan of Arrangement;
- 1.1.26 "**Dividend Committee**" means the committee contemplated by section 7.3.1 which consists of three (3) Members, as such Members may be replaced from time to time pursuant to this Agreement;
- 1.1.27 "**Dividend Promissory Notes**" means the interest bearing promissory notes in an aggregate amount of \$3 million, to be issued by GENIVAR Inc. pursuant to section 3.1(a) of the Plan of Arrangement (and assumed by New GENIVAR as a result of the Arrangement), to each holder of Common Shares immediately prior to the Effective Date in payment of their *pro rata* portion of the Dividend Amount;
- 1.1.28 "**E&Y**" means Ernst & Young LLP;
- 1.1.29 "**Effective Date**" means the date the Arrangement is effective under the CBCA, which is expected to occur on or about January 1, 2011;
- 1.1.30 "**Effective Time**" means 12:01 a.m. (Montreal time) on the Effective Date;
- 1.1.31 "**Employee Plans**" means all the employee benefit, fringe benefit, supplemental unemployment benefit, deferred compensation, bonus, incentive, profit sharing, notice, termination, severance, change of control, pension, retirement, stock option, stock purchase, stock appreciation, phantom stock, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to current or former employees, officers or directors of GENIVAR Inc., its Subsidiaries or GENIFINANCE maintained,

sponsored or funded by GENIVAR Inc., its Subsidiaries or GENIFINANCE, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, other than government-sponsored employment insurance, workers' compensation, health insurance or pension plans;

- 1.1.32 "**Environment**" means all components of the earth, including air (and all layers of the atmosphere), land (and all surface and subsurface soil, underground spaces and cavities and all land submerged under water) and water (and all surface and underground water), organic and inorganic matter and living organisms and any sewer system. For greater certainty, the interacting natural systems that include components referred to above are included in the definition of "**Environment**";
- 1.1.33 "**Environmental Laws**" means all applicable Laws, or requirements of any Governmental Authority which relates to public health and safety, pollution or the protection of the Environment, or imposes liability or standards of conduct, concerning discharges, spills, releases or threatened releases or the presence of Hazardous Materials in the Environment or the manufacture, processing, generation, labelling, distribution, use, treatment, storage, discharge, release, disposal, clean up, transport or handling of Hazardous Materials, including civil responsibility for acts or omissions with respect to the Environment, and all Authorizations issued or required to be issued pursuant to such Laws.
- 1.1.34 "**Exchangeable LP Units**" means collectively the Class B LP Units and the Class C LP Units;
- 1.1.35 "**Exchange Agreement**" means the exchange agreement made as of May 25, 2006 among the Fund, the Trust, GENIVAR LP, GENIVAR GP and GENIVAR Inc., as amended on September 13, 2007 by an amended and restated exchange agreement pursuant to which 4432011 Canada Inc. was added as a party, and to which 4446364 Canada Inc., a wholly-owned Subsidiary of GENIVAR Inc., also became a party on September 25, 2008;
- 1.1.36 "**Excluded Unitholders**" means Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, Marc Rivard, Éric Tremblay, François Perreault, Brian Barber, Shawn Gibbons, Faramarz Kordgharachorloo, Brian Oshust, François Morton, Tony Veilleux, Bill Brandt and Jeff Reichert to the extent they hold any Units;
- 1.1.37 "**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- 1.1.38 "**Form of Purchase Agreement**" means the form of purchase agreement, which represents the terms that would be acceptable to the owner of the Ottawa Property;
- 1.1.39 "**Fund**" means GENIVAR Income Fund, a trust established under the Laws of Québec pursuant to the Fund Declaration of Trust;

- 1.1.40 "**Fund Arrangement Resolution**" means the special resolution of the Unitholders approving the Arrangement;
- 1.1.41 "**Fund Circular**" means the management information circular of the Fund, including all schedules and exhibits thereto, to be sent by the Fund to Unitholders, together with the notice of the Fund Meeting;
- 1.1.42 "**Fund Declaration of Trust**" means the declaration of trust dated March 31, 2006, as amended by an amended and restated declaration of trust dated May 16, 2006, pursuant to which the Fund was created, as further amended, supplemented or restated from time to time;
- 1.1.43 "**Fund Meeting**" means the annual and special meeting of Unitholders (including any adjournment or postponement thereof), that is, among other things, to be convened to consider and, if deemed advisable, to approve the Fund Arrangement Resolution;
- 1.1.44 "**Fund Trustees**" means the trustees of the Fund as of the date hereof;
- 1.1.45 "**GAAP**" means generally accepted accounting principles in Canada as stated in the Handbook of the Canadian Institute of Chartered Accountants;
- 1.1.46 "**General Contracting Business**" means the general contracting business historically carried on by GENIVAR Inc., directly or through its Subsidiaries, following the initial public offering of the Fund;
- 1.1.47 "**GENIFINANCE**" means GENIFINANCE (2006) Inc., a corporation incorporated under the laws of Canada;
- 1.1.48 "**GENIFINANCE Financial Statements**" means the audited financial statements of GENIFINANCE for the years ended December 30, 2009 and 2008 and delivered to the Fund on April 14, 2010;
- 1.1.49 "**GENIFINANCE Shareholders**" means the holders from time to time of GENIFINANCE Shares;
- 1.1.50 "**GENIFINANCE Shares**" means the Class "A" to "C" common shares in the share capital of GENIFINANCE;
- 1.1.51 "**GENIVAR Arrangement Resolution**" means the special resolution of the Shareholders and GENIFINANCE Shareholders approving the Arrangement;
- 1.1.52 "**GENIVAR Circular**" means the management information circular of GENIVAR Inc. and GENIFINANCE, including all schedules and exhibits thereto, to be sent by GENIVAR Inc. and GENIFINANCE to the Shareholders and GENIFINANCE Shareholders, together with the notice of the GENIVAR Meeting;

- 1.1.53 "**GENIVAR Consultants LP**" means GENIVAR Consultants Limited Partnership, a limited partnership formed under the laws of the Province of Québec pursuant to an agreement made on December 13, 2006 between GENIVAR Ontario, as general partner and GENIVAR LP, as limited partner;
- 1.1.54 "**GENIVAR Financial Statements**" means the audited consolidated financial statements of GENIVAR Inc. for the years ended December 30, 2009 and 2008 and delivered to the Fund on April 14, 2010;
- 1.1.55 "**GENIVAR GP**" means GENIVAR GP Inc., a corporation incorporated under the laws of Canada, acting as general partner of GENIVAR LP;
- 1.1.56 "**GENIVAR Inc.**" means GENIVAR Inc., a corporation incorporated under the laws of Canada;
- 1.1.57 "**GENIVAR LP**" means GENIVAR Limited Partnership, a limited partnership formed under the laws of the Province of Québec pursuant to a limited partnership agreement made as of March 31, 2006 as amended and restated on May 16, 2006 between GENIVAR Inc., as initial special partner, and GENIVAR GP, as general partner;
- 1.1.58 "**GENIVAR Meeting**" means the joint annual and special meeting of the Shareholders and the GENIFINANCE Shareholders (including any adjournment or postponement thereof), that, among other things, is to be convened to consider and, if deemed advisable, to approve the GENIVAR Arrangement Resolution;
- 1.1.59 "**GENIVAR Survival Date**" has the meaning set out in section 4.4 hereof;
- 1.1.60 "**GENIVAR Ontario**" means GENIVAR Ontario Inc., a corporation incorporated under the laws of the Province of Ontario;
- 1.1.61 "**Governmental Authority**" means any foreign, international, federal, provincial, local, municipal, regional, territorial, aboriginal or other government, governmental or public department, branch, ministry, or court, tribunal, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature as well as any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them;
- 1.1.62 "**GP Directors**" means the directors of GENIVAR GP as of the date hereof;
- 1.1.63 "**Hazardous Materials**" means any substance, material or waste which is prohibited, controlled or regulated pursuant to any Environmental Law or other requirement relating to such substance or otherwise relating to the environment or human or worker health or safety, including any substance which is deemed to be alone or in any combination "hazardous", "hazardous waste", "hazardous

material", "hazardous substance", "pollutant", "radioactive", "toxic", "caustic", "dangerous", "dangerous goods", "special waste", "source of contamination", "source of pollution" or "contaminant" under any provision of Environmental Law, whether such substances are defined as hazardous under the Environmental Law involved, and including any sound, heat, vibration, radiation or other form of energy, petroleum, petroleum products, asbestos, asbestos-containing material, urea formaldehyde and polychlorinated biphenyls mould, mildew or fungi and any other material or substance which may pose a threat to the Environment or human health and safety;

- 1.1.64 " **Holders** " has the meaning set out in section 7.3.2 hereof;
- 1.1.65 "**Inactive Subsidiaries**" means the inactive Subsidiaries of GENIVAR Inc. as identified in section 4.1.3 of the Disclosure Letter;
- 1.1.66 "**Intellectual Property**" means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formula and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) designs, design registrations, design registration applications and integrated circuit topographies; (v) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vi) Software; and (vii) any other intellectual property and industrial property;
- 1.1.67 "**Interim Order**" means the interim order of the Court in a form acceptable to the parties to this Agreement, providing for, among other things, the calling and holding of the Fund Meeting and the GENIVAR Meeting, as the same may be amended by the Court with the consent of the parties to this Agreement, acting reasonably;
- 1.1.68 "**Jurisdictions**" means, collectively, each of the provinces and territories of Canada;
- 1.1.69 "**Knowledge of GENIVAR Inc. and GENIFINANCE**" means the actual knowledge of Pierre Shoiry, Marcel Boucher, Ali Ettehadieh, Eric Tremblay, François Perreault, Marc Rivard and Brian J. Oshust after reasonable inquiry, without personal liability on the part of any of them;
- 1.1.70 "**KPMG**" means KPMG LLP;
- 1.1.71 "**Law**" or "**Laws**" means all constitutions, treaties laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws (includes without limitation

zoning by-laws), statutory rules, principles of law, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, directions, penalties, sanctions, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of Authorization of any Governmental Authority, as well as all policies, practices and guidelines of any Governmental Authority which, although not actually having the force of law, are considered by such Governmental Authority as requiring compliance as if having the force of the law, and the term "**applicable**" with respect to Laws and in a context that refers to one or more Persons, means that the Laws apply to the Person or Persons, or its or their business, undertaking, property or securities, and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

- 1.1.72 "**Liens**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- 1.1.73 "**Material Adverse Effect**" or "**Material Adverse Change**" means any effect or change that is or, as far as can be reasonably determined, is reasonably likely to be materially adverse to the results of operations, financial condition, assets, properties, or business of the Person and its Subsidiaries, collectively, taken as a whole, provided that (i) any value ascribed to the Exchangeable LP Units held by GENIVAR Inc., directly or indirectly, shall not be considered for the purposes of determining if there is a Material Adverse Effect or Material Adverse Change on GENIVAR Inc. and its Subsidiaries and (ii) for the purposes of determining if there is a Material Adverse Effect or Material Adverse Change on the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario and their respective Subsidiaries, any change, effect, event or occurrence resulting from (a) the announcement of the execution of this Agreement or the transactions contemplated hereby or the performance of any obligations hereunder; (b) changes in the Canadian economies or securities or currency markets in general; (c) changes generally affecting the engineering industry business in Canada; (d) commencement, occurrence or continuation of any war (whether or not declared), armed hostilities or acts of terrorism; (e) any change in applicable Laws or regulations or in GAAP or (f) any natural disaster, shall not be taken into account;
- 1.1.74 "**Material Contracts**" has the meaning set out in section 4.1.25 hereof;
- 1.1.75 "**Members**" means the three (3) representatives of GENIVAR Inc. to be appointed by GENIVAR Inc. pursuant to section 7.3.1, as such members may be replaced from time to time pursuant to this Agreement;
- 1.1.76 "**MI 61-101**" means Multilateral Instrument 61-101—*Protection of Minority Security Holders in Special Transactions*;

- 1.1.77 "**Minority Unitholders**" means the Unitholders whose votes may be counted for purposes of obtaining minority approval of the Fund Arrangement Resolution in accordance with section 8.1 of MI 61-101, which, for greater certainty, excludes the Excluded Unitholders;
- 1.1.78 "**misrepresentation**" and "**material facts**" have the meanings ascribed to them in the Securities Act;
- 1.1.79 "**Net Book Value**" means the difference between (i) the value ascribed, in accordance with GAAP, to all of the assets of GENIVAR Inc. and GENIFINANCE on a consolidated basis and (ii) the value ascribed, in accordance with GAAP, to all of the liabilities of GENIVAR Inc. and GENIFINANCE on a consolidated basis excluding (a) any value ascribed to any equity interest held by GENIFINANCE in GENIVAR Inc. or to any equity interest held by GENIVAR Inc. in GENIFINANCE; and (b) any value ascribed to inter-company accounts receivable or payable between GENIVAR and GENIFINANCE, the whole as determined based on the Reviewed Consolidated Financial Statements;
- 1.1.80 "**New GENIVAR**" means the corporation to be named "GENIVAR Inc." that will result from the amalgamation of GENIVAR Inc., GENIVAR GP Inc. and GENIVAR Ontario Inc. on the Effective Date;
- 1.1.81 "**New GENIVAR Shares**" means the common shares in the share capital of New GENIVAR, which common shares will be issued to Unitholders and Shareholders in consideration for the transfer of their Units and Common Shares, as applicable, to New GENIVAR pursuant to the Arrangement;
- 1.1.82 "**Ordinary Course**" means, with respect to an action taken by a Person, that such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person;
- 1.1.83 "**Ottawa Property**" means the premises situated in the City of Ottawa and known legally as Part of Lots 308, 309 and 310, Plan 372212, being parts 6 to 32, plan 5R-6695 (PIN 03957-0515 LT) to be acquired by Windmill LP in accordance with the terms of the Windmill Limited Partnership Agreement;
- 1.1.84 "**Owned Property**" means the land and premises listed and described in section 1.1.84 of the Disclosure Letter by reference to their municipal address and proper legal description;
- 1.1.85 "**Permits**" has the meaning set out in section 4.1.31;
- 1.1.86 "**Permitted Liens**" means (i) Liens for Taxes not yet due and delinquent, (ii) easements, encroachments and other minor imperfections of title which do not, individually or in the aggregate, materially detract from the value of or impair the use or marketability of any real property, and (iii) Liens listed and described in section 1.1.86 of the Disclosure Letter but only to the extent such Liens conform to their description in section 1.1.86 of the Disclosure Letter;

- 1.1.87 "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- 1.1.88 "**Plan of Arrangement**" means the plan of arrangement substantially in the form and content of Schedule B attached hereto and any amendments or variations thereto made in accordance with Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order, as such terms are defined and as further described under the Plan of Arrangement;
- 1.1.89 "**Potential Damages**" means any claim for Damages against New GENIVAR or any claim that New GENIVAR has incurred Damages;
- 1.1.90 "**Preferred Business Relationship Agreement**" means the preferred business relationship agreement entered into on May 25, 2006 between GENIVAR Inc. and GENIVAR LP;
- 1.1.91 "**Preferred Shares**" means the class "B" to "J" preferred shares and the honorary Preferred Shares in the share capital of GENIVAR Inc.;
- 1.1.92 "**Proceedings**" has the meaning set out in section 4.1.19;
- 1.1.93 "**Pro Forma Adjusted Net Asset Value**" means the mid-point of the range of the values provided by KPMG which are based on the Net Book Value, as adjusted by KPMG to reflect (a) the exclusion of any value ascribed to the Exchangeable LP Units and related future taxes liabilities; (b) the fair market value of assets and liabilities of GENIVAR Inc. and GENIFINANCE on a consolidated basis as of December 31, 2010; (c) the conversion steps listed in the Conversion Step Plan and (c) all events or circumstances affecting GENIVAR Inc., its Subsidiaries and GENIFINANCE that occurred on or prior December 31, 2010, the whole using the same methodology as contained in the Valuation, provided that the Dividend Amount Promissory Notes will be considered as working capital elements so that their fair market value will be deemed equivalent to their face value;
- 1.1.94 "**Pro Forma Adjusted Net Asset Value Statement**" means the statement of Pro Forma Adjusted Net Asset Value as of December 31, 2010 prepared by KPMG;
- 1.1.95 "**Public Record**" means all information filed or to be filed after December 31, 2008 and prior to the Effective Time by or on behalf of the Fund with any Securities Commission pursuant to or in accordance with applicable Securities Laws;
- 1.1.96 "**Reviewed Consolidated Financial Statements**" means the reviewed consolidated financial statements of GENIVAR Inc., its Subsidiaries and GENIFINANCE for the period ending on December 1, 2010;

- 1.1.97 "**Securities Act**" means the *Securities Act* (Québec), as now in effect and as it may be amended from time to time prior to the Effective Time;
- 1.1.98 "**Securities Commission**" means the applicable securities commission or regulatory authority in each of the Jurisdictions;
- 1.1.99 "**Securities Laws**" means, collectively, the applicable securities Laws of each of the Jurisdictions and the respective regulations and rules made under those securities Laws together with all applicable policy statements, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement and the securities legislation and policies of each other relevant jurisdiction, together with applicable published policy statements of the applicable Securities Commission or securities regulatory authority in each of the Jurisdictions;
- 1.1.100 "**Securityholders' Agreement**" means the securityholders' agreement made as of May 25, 2006, as amended on September 13, 2007, among the Fund, the Trust, GENIVAR LP, GENIVAR GP and GENIVAR Inc.;
- 1.1.101 "**Share Conversion Ratio**" means has the meaning set out in section 2.2.2 hereof;
- 1.1.102 "**Shareholder Approval**" the approval of the GENIVAR Arrangement Resolution by (i) at least two-thirds of the votes cast by the holders of Common Shares and (ii) at least two-thirds of the votes cast by the GENIFINANCE Shareholders present in person or represented by proxy at the GENIVAR Meeting in accordance with the CBCA, as further described in the Interim Order;
- 1.1.103 "**Shareholders**" means the holders from time to time of Shares;
- 1.1.104 "**Shareholders Agreement**" means the shareholders' agreement in respect of GENIVAR Inc. and GENIFINANCE dated April 3, 2003, amended on March 30, 2006 and May 31, 2007, as amended at the GENIVAR meeting;
- 1.1.105 "**Shares**" means the Common Shares and the Preferred Shares;
- 1.1.106 "**Significant Holders**" means the holders of Common Shares having more than 20,000 Common Shares immediately prior to the Effective Date and all of the Executive Officers (as defined under *Securities Act*);
- 1.1.107 "**Special Committee**" means the independent committee of the Board of Fund Trustees and Board of GP Directors, consisting of Lawrence Smith and Pierre Simard as such member may be replaced from time to time;
- 1.1.108 "**Special Voting Units**" means the units of the Fund issued to represent voting rights in the Fund that accompany the Exchangeable LP Units;

- 1.1.109 "**Subscription and Acquisition Agreement**" means the subscription agreement made as of May 25, 2006, among the Fund, the Trust, GENIVAR LP, GENIVAR GP and GENIVAR Inc.;
- 1.1.110 "**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited partnership, trust or other Person controlled, directly or indirectly, by that Person, where "control" has the meaning attributed to such term in the Securities Act;
- 1.1.111 "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;
- 1.1.112 "**Taxes**" means (a) all federal, provincial, municipal, state, local, foreign or other taxes, levies, duties, assessments, reassessments and other charges together with all related penalties, interest and fines, due and payable to any government, or imposed by any court or any other Law, regulation or rulemaking entity having jurisdiction in relevant circumstances, including, without limitation income, gross receipts, capital, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, franchise, profits, withholding, social security, health, workers' compensation premiums, real property, land transfer, personal property, sales, use, registration, value added, alternative or add-on minimum, estimated or other tax surtax, fee, levy, withholding, assessment or duty, excluding any Transfer Tax, and (b) any liability for the payment of any amounts of the type described in (a) of this definition as a result of any tax sharing, tax allocation or tax indemnification agreement, arrangement or understanding or as a result of being liable for another Person's taxes as a transferee or successor by contract or otherwise;
- 1.1.113 "**Tax Return**" means any return, declaration, report, election, notice, designation, form, claim for refund or information return or similar statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof;
- 1.1.114 "**Transfer Tax**" means any taxes, duties, excises, assessments, impositions, levies, liabilities and other charges or assessments imposed on GENIVAR Inc. or its Subsidiaries in connection with the transfer of the assets and liabilities of acquired businesses by GENIVAR Inc. or its Subsidiaries to GENIVAR LP or GENIVAR Consultants LP but excludes any sales tax;
- 1.1.115 "**Trust**" means GENIVAR Operating Trust, an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Québec by the Trust Declaration of Trust;
- 1.1.116 "**Trust Declaration of Trust**" means the declaration of trust dated March 31, 2006 pursuant to which the Trust was created, as further amended, supplemented or restated from time to time;
- 1.1.117 "**Trustee**" or "**Trustees**" means the trustees of the Trust or any one of such trustee;

- 1.1.118 "**TSX**" means the Toronto Stock Exchange;
- 1.1.119 "**Unitholder Approval**" means the approval of the Fund Arrangement Resolution by: (i) a majority of the votes cast by Minority Unitholders present in person or represented by proxy at the Fund Meeting; and (ii) at least two-thirds of the votes cast by the Voting Unitholders present in person or represented by proxy at the Fund Meeting in accordance with the Fund Declaration of Trust;
- 1.1.120 "**Unitholders**" means the holders from time to time of Units;
- 1.1.121 "**Units**" means the units of the Fund other than Special Voting Units;
- 1.1.122 "**Valuation**" means the valuation dated April 15, 2010 prepared by KPMG in accordance with the requirements of MI 61-101 and addressed to the Special Committee;
- 1.1.123 "**Voting Unitholders**" means, collectively, the holders from time to time of the Units and the Special Voting Units;
- 1.1.124 "**Windmill LP**" means a limited partnership formed under the laws of the Province of Ontario pursuant to the Windmill Limited Partnership Agreement for the purposes of acquiring the Ottawa Property and developing such property in phases with the first phase consisting of the construction of a commercial office building containing approximately 80,000 square foot commercial office space;
- 1.1.125 "**Windmill Limited Partnership**" means the limited partnership agreement dated October 1, 2009 entered into between, *inter alia*, 2134310 Ontario Inc., as general partner, and 7247923 Canada Inc., a wholly-owned Subsidiary of GENIVAR Inc., as limited partner; and
- 1.1.126 "**Work-in-Progress**" means all of the work-in-progress of GENIVAR Inc. or its Subsidiaries as listed in GENIVAR Financial Statements.

1.2 Schedules

Schedule A	Disclosure Letter
Schedule B	- Plan of Arrangement
Schedule C	- Share Conversion Ratio Adjustment
Schedule D	- Form of Lock-Up Agreement to be executed by the Significant Holders
Schedule E	- Form of Lock-Up Agreement to be executed by the holders of Common Shares other than the Significant Holders
Schedule F	Regulatory Approvals

1.3 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.4 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders or the neuter, and words importing the neuter include all genders.

1.5 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian currency.

1.6 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the parties waive any provision of Law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.7 Entire Agreement

This Agreement, together with the Disclosure Letter and the schedules attached hereto, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement. There are no warranties, conditions or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter except

as specifically set forth or referred to in this Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement, or any amendment or supplement thereto, by any party to this Agreement or its directors, officers, employees or agents, to any other party to this Agreement or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement, and none of the parties to this Agreement has been induced to enter into this Agreement or any amendment or supplement by reason of any such warranty, representation, opinion, advice or assertion of fact. Accordingly, there shall be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

1.8 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.9 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Québec and the Laws of Canada applicable therein. Each party hereto accepts and hereby irrevocably and unconditionally consents to submit to the jurisdiction of the courts of the Province of Québec and all courts of appeal therefrom for any actions, suits and proceedings occurring out of or relating to this Agreement and the transactions contemplated thereby and agrees not to commence any action, suit or proceeding relating thereto except in such courts other than those matters agreed to be arbitrated hereunder.

1.10 Disclosure Letter

Contemporaneously with the execution and delivery of this Agreement, GENIVAR Inc. is delivering to the Fund the Disclosure Letter required to be delivered pursuant to this Agreement in order to qualify certain representations and warranties of GENIVAR Inc. contained in this Agreement in the manner described in the following sentence. For greater clarity, each reference in a section of this Agreement to the Disclosure Letter should be deemed to refer to the corresponding section of the Disclosure Letter.

ARTICLE 2 PLAN OF ARRANGEMENT

2.1 Arrangement

As soon as reasonably practicable, GENIVAR Inc. and GENIFINANCE shall apply to the Court pursuant to section 192 of the CBCA for an order approving the Arrangement and in connection with such application shall:

- (a) forthwith file, proceed with and diligently prosecute an application for an Interim Order under subsection 192(4) of the CBCA, providing for, among other things, the calling and holding of the Fund Meeting and the GENIVAR Meeting for the purpose of, among other things, considering and, if deemed advisable, approving the Fund Arrangement Resolution and the GENIVAR Arrangement Resolution;
- (b) subject to obtaining all necessary approvals from the Unitholders, the holders of Common Shares and the GENIFINANCE Shareholders as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take steps necessary to submit the Arrangement to the Court and apply for the Final Order; and
- (c) subject to fulfillment of the conditions set forth herein, shall deliver to the Director, Articles of Arrangement and such other documents as may be required to give effect to the Arrangement, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out in the Plan of Arrangement without any act or formality.

2.2 Conversion Ratio

2.2.1 Unit-for-New GENIVAR Share Exchange.

Pursuant to the Plan of Arrangement, on the Effective Time, the Unitholders will transfer each of their Units to New GENIVAR in exchange for one New GENIVAR Share for each Unit so transferred.

2.2.2 Share-for-New GENIVAR Share Exchange.

Pursuant to the Plan of Arrangement, on the Effective Time, the holders of Common Shares will transfer each of their Common Shares to New GENIVAR in exchange for 0.8929 New GENIVAR Share for each Common Share so transferred (the "**Share Conversion Ratio**"), subject to any adjustment pursuant to section 2.2.5 hereof.

2.2.3 Reviewed Consolidated Financial Statements.

On December 10, 2010, E&Y shall provide the Special Committee, GENIVAR Inc. and KPMG with the Reviewed Consolidated Financial Statements.

2.2.4 Pro Forma Adjusted Net Asset Value Statement.

No later than December 23, 2010, KPMG shall provide the Special Committee and GENIVAR Inc with a draft Pro Forma Adjusted Net Asset Value Statement. The Special Committee and GENIVAR Inc. shall have the right to review the draft Pro Forma Adjusted Net Asset Value Statement and provide comments to KPMG. KPMG shall consider such comments but will make the final

determination as to whether any such comments are to be reflected in the Pro Forma Adjusted Net Asset Value Statement. On December 31st, 2010, KPMG shall provide the Special Committee and GENIVAR Inc. with a final Pro Forma Adjusted Net Asset Value Statement.

2.2.5 Conversion Ratio Adjustment.

The Share Conversion Ratio shall be calculated based on the final Pro Forma Adjusted Net Asset Value Statement as provided by KPMG pursuant to section 2.2.4, in accordance with the parameters set forth in Schedule C hereto and a press release shall be issued by the Fund in accordance with the terms of the Interim Order.

2.2.6 Access to Books and Records.

GENIVAR Inc. agrees to grant to the Special Committee, KPMG, the Fund and its representatives, for the period beginning as of the date hereof through the Effective Date, reasonable access to all Books and Records and any other information to be used and reviewed by E&Y for the purposes of the preparation of the Reviewed Consolidated Financial Statements.

2.3 Effective Date

The Arrangement shall become effective at the Effective Time on the Effective Date and each transaction forming part of the Arrangement shall occur on the date and in the order set forth in the Plan of Arrangement. The parties shall use their reasonable commercial efforts to cause the Effective Date to occur on January 1, 2011 or as soon thereafter as reasonably practical and, in any event, no later than January 10, 2011 or such later date as the parties may agree in writing.

2.4 Termination of Agreements

The parties hereto covenant and agree that the following agreements shall be terminated immediately prior to the Effective Time, and release each other party from any liabilities and obligations contained in the following agreements:

- (a) the Securityholders' Agreement;
- (b) the Subscription and Acquisition Agreement;
- (c) the Acquisition Agreement;
- (d) the Preferred Business Relationship Agreement; and
- (e) the Exchange Agreement.

**ARTICLE 3
COVENANTS**

3.1 Covenants of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario

Each of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario covenants and agrees that it will:

- (a) take, and cause its Subsidiaries to take, all actions necessary to give effect to the transactions contemplated by this Agreement and the Arrangement;
- (b) use all reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be necessary to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
- (c) complete the pre-arrangement transactions applicable to it set forth in the Conversion Step Plan, as such pre-arrangement transactions may be amended with the consent of the other parties;
- (d) in the case of the Fund, solicit proxies to be voted at the Fund Meeting in favour of the Fund Arrangement Resolution and prepare the Fund Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order and applicable corporate Laws and Securities Laws, and file and distribute same to the Unitholders in a timely and expeditious manner in all Jurisdictions where same are required to be filed and distributed;
- (e) in the case of the Fund, convene the Fund Meeting as ordered by the Interim Order and conduct such Fund Meeting in accordance with the Interim Order and as otherwise required by law;
- (f) use all efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;
- (g) carry out the terms of the Final Order to the extent applicable to it;
- (h) in the case of the Fund, prior to the Effective Date, make application to list the New GENIVAR Shares issuable pursuant to the Arrangement on the TSX.

3.2 Covenants of GENIVAR Inc. and GENIFINANCE

Each of GENIVAR Inc. and GENIFINANCE covenants and agrees that it will:

- (a) take, and cause its Subsidiaries to take, all actions necessary to give effect to the transactions contemplated by this Agreement and the Arrangement including to have all Units and Special Voting Units held vote in favor of the Arrangement;
- (b) complete the pre-arrangement transactions applicable to it set forth in the Conversion Step Plan, as such pre-arrangement transactions may be amended with the consent of the other parties;
- (c) use all reasonable efforts to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
- (d) solicit proxies to be voted at the GENIVAR Meeting in favour of the GENIVAR Arrangement Resolution and prepare the GENIVAR Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order and applicable corporate Laws and Securities Laws, and distribute same to the Shareholders and the GENIFINANCE Shareholders in a timely and expeditious manner in all Jurisdictions where same are required to be distributed;
- (e) convene the GENIVAR Meeting as ordered by the Interim Order and conduct such GENIVAR Meeting in accordance with the Interim Order and as otherwise required by law;
- (f) use all efforts to cause each of the conditions precedent set forth in Article 5 which are within its control to be satisfied on or before the Effective Date;
- (g) subject to the approval of the GENIVAR Arrangement Resolution by the holders of Common Shares and GENIFINANCE Shareholders, as required by the Interim Order, submit the Arrangement to the Court and apply for the Final Order;
- (h) carry out the terms of the Final Order to the extent applicable to it; and
- (i) upon issuance of the Final Order and subject to the fulfillment of the conditions precedent set forth in Article 5, proceed to file the Articles of Arrangement, the Final Order and all related documents with the Director pursuant to subsection 192(6) of the CBCA on the Effective Date.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES**

4.1 Representations and Warranties of GENIVAR Inc. and GENIFINANCE

GENIVAR Inc. and GENIFINANCE represent and warrant to the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario as follows, as at the date hereof, and acknowledge and confirm that the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario are relying upon such representations and warranties in connection with the completion of the Arrangement. Except for the representations and warranties provided in section 4.1.5, it is acknowledged that no representations nor warranties are given on behalf of the Inactive Subsidiaries.

4.1.1 Incorporation and Status.

GENIVAR Inc. and its Subsidiaries are duly incorporated and validly existing under the Laws of Canada or the laws of their incorporation. GENIFINANCE is duly incorporated and validly existing under the laws of Canada.

4.1.2 Corporate Power and Due Authorization.

Each of GENIVAR Inc. and GENIFINANCE has the corporate power and capacity to enter into, and to perform its obligations under this Agreement. Each of this Agreement and the other agreements, contracts and instruments required by this Agreement to be delivered by GENIVAR Inc. and GENIFINANCE prior to the Effective Time have been, or will be at the Effective Time, duly authorized by GENIVAR Inc. and GENIFINANCE. This Agreement has been duly executed and delivered by GENIVAR Inc. and GENIFINANCE and is a valid and binding obligation of GENIVAR Inc. and GENIFINANCE, enforceable in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies.

4.1.3 Subsidiaries of GENIVAR Inc.

A complete list of the direct and indirect Subsidiaries of GENIVAR Inc. and their respective registered and/or beneficial shareholders is set out in section 4.1.3 of the Disclosure Letter. Except as set out in section 4.1.3 of the Disclosure Letter, GENIVAR Inc. has no interest in any Person.

4.1.4 Subsidiaries of GENIFINANCE.

Except for its interest in GENIVAR Inc., GENIFINANCE has no interest (in the form of equity or otherwise) in any Person.

4.1.5 Inactive Subsidiaries.

Following the acquisition of the Inactive Subsidiaries by GENIVAR Inc., all of the assets and liabilities (contingent or otherwise) of such Inactive Subsidiaries have

been transferred to the Fund and its Subsidiaries. Following such transfer, the Inactive Subsidiaries have been liquidated into GENIVAR Inc.

4.1.6 **Capitalization of GENIVAR Inc.**

As of April 15, 2010, the authorized capital of GENIVAR Inc. consists of an unlimited number of common shares class "A", "B", "C", "D", "E", "F", "G", "H", "I", "J", "K", "L", "M", "N", "O", "P", "Q", "R", "S", "T", "U", "V", "W", "X", "Y", "Z", "AA", "BB", "CC", "DD", "EE", "FF", "GG", "HH", "II", "JJ", "KK" and "LL" issuable in series, of an unlimited number of common shares class "A", "B", "C", "D", "E", "F", "G", "H", "I", "J", "K", "L", "M", "N", "O", "P", "Q", "R", "S", "T", "U", "V", "W", "X", "Y", "Z", "AA", "BB", "CC", "DD", "EE", "FF", "GG", "HH", "II", "JJ", "KK" and "LL" series 1, of an unlimited number of preferred shares class "B", "C", "D", "E", "F", "G", "H", "I" and "J" and of an unlimited number of preferred shares class "K" issuable in series 1 to 20 inclusively. Section 4.1.6 of the Disclosure Letter sets forth a complete list of all the issued and outstanding Shares of GENIVAR Inc. All of the Shares have been duly issued in compliance with all applicable Laws including applicable Securities Laws and are outstanding as fully-paid and non-assessable and no such Shares have been issued in violation of pre-emptive or similar rights. No Shareholder is entitled to any pre-emptive or other similar right granted by GENIVAR Inc. other than as provided for in the Shareholders Agreement. GENIVAR Inc. is not a reporting issuer in any Jurisdiction.

4.1.7 **Exchangeable LP Units.**

As of April 15, 2010, GENIVAR Inc. holds directly 8,296,920 (total of class "B" and "C" units) Exchangeable LP Units in the share capital of GENIVAR LP and 8,296,920 Special Voting Units in the capital of the Fund and 4432011 Canada Inc. and 4446364 Canada Inc. holds directly respectively 365,853 and 397,614 Exchangeable LP Units in the share capital of GENIVAR LP and 365,853 and 397,614 Special Voting Units in the capital of the Fund.

4.1.8 **Capitalization of GENIFINANCE.**

As of April 15, 2010, the authorized capital of GENIFINANCE consists of an unlimited number of class "A", class "B" and class "C" common shares in the share capital of GENIFINANCE. Section 4.1.8 of the Disclosure Letter sets forth a complete list of all the issued and outstanding GENIFINANCE Shares. All of the GENIFINANCE Shares have been duly issued in compliance with all applicable Laws including applicable Securities Laws and are outstanding as fully-paid and non-assessable and no such GENIFINANCE Shares have been issued in violation of pre-emptive or similar rights. No GENIFINANCE Shareholder is entitled to any pre-emptive or other similar right granted by GENIFINANCE other than as provided for in the Shareholders Agreement. GENIFINANCE is not a reporting issuer in any Jurisdiction.

4.1.9 Shareholder Agreement of GENIVAR Inc. and GENIFINANCE.

There are no unanimous shareholder agreements, voting trusts, escrow agreements or similar agreements among any shareholders relating to GENIVAR Inc. or GENIFINANCE or any securities of GENIVAR Inc. and GENIFINANCE that will survive the completion of the transactions contemplated by the Arrangement.

4.1.10 No Obligations to Issue, Sell or Transfer Securities.

Except pursuant to the Shareholders Agreement, there are no agreements, options, warrants, rights of conversion or other rights pursuant to which GENIVAR Inc., any of its Subsidiaries or GENIFINANCE are, or may become, obligated to issue, sell or transfer any shares or other securities of GENIVAR Inc., any of its Subsidiaries or GENIFINANCE, or any securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, directly or indirectly, any shares or other securities of GENIVAR Inc., any of its Subsidiaries or GENIFINANCE.

4.1.11 Validity of Agreement.

The execution, delivery and performance by GENIVAR Inc. and GENIFINANCE of this Agreement:

- (a) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with or result in a default under, or allow any other Person to exercise any rights under, any of the terms or provisions of:
 - (i) their respective constating documents or by-laws or resolutions of their respective board of directors (or any committee thereof) or shareholders or any judgment, decree, order or award of any court, Governmental Authority or arbitrator having jurisdiction over any of them;
 - (ii) any Contracts or Authorizations to which any of them or any of their Subsidiaries are a party which would reasonably be expected to result in a Material Adverse Effect; and
- (b) to the Knowledge of GENIVAR Inc. and GENIFINANCE, will not result in the violation of any Laws.

4.1.12 No Operations.

Except as set forth in section 4.1.12 of the Disclosure Letter, GENIVAR Inc. and its Subsidiaries do not carry on any business, activities or projects.

GENIFINANCE is a holding corporation which does not carry on any business, activities or projects.

4.1.13 Required Authorizations, Approvals and Consents.

No Authorization, consent or approval of, or filing with or notice to, any Governmental Authority or other Person is required in connection with the execution, delivery or performance of this Agreement by GENIVAR Inc. or GENIFINANCE or as a condition to the lawful completion of the transactions contemplated by this Agreement except (i) the Interim Order, (ii) the Final Order, (iii) filings under the CBCA, (iv) any approvals listed in section 4.1.13 of the Disclosure Letter, and (v) compliance with applicable Securities Laws.

4.1.14 Third Party Consents.

Except for the required consents listed in section 4.1.14 of the Disclosure Letter, no consents, waivers or approvals from other parties to Contracts, or other commitments or obligations to which any of GENIVAR Inc., any of its Subsidiaries or GENIFINANCE is a party or by which any of them is bound, is required in connection with the execution and delivery of this Agreement by GENIFINANCE and GENIVAR Inc. or the consummation of the transactions contemplated hereby.

4.1.15 Residence of GENIVAR Inc. and GENIFINANCE.

None of GENIVAR Inc. and GENIFINANCE is a non-resident of Canada within the meaning of the Tax Act and is a "taxable Canadian corporation" for purposes of the Tax Act.

4.1.16 Compliance with Laws.

GENIFINANCE has and continues to conduct its operations and GENIVAR Inc. and its Subsidiaries have and continue to conduct their operations, activities and business in all material respect, in compliance with all applicable Laws.

4.1.17 GENIVAR Financial Statements.

The GENIVAR Financial Statements have been prepared in accordance with GAAP on a basis consistent with those of previous years and each fairly, accurately and completely discloses in all material respects (i) the assets, liabilities and obligations (whether accrued, contingent, absolute or otherwise), income, losses, retained earnings, reserves and financial position of GENIVAR Inc. and its Subsidiaries, (ii) the results of operations of GENIVAR Inc. and its Subsidiaries and (iii) the changes in the financial position of GENIVAR Inc. and its Subsidiaries, all as at the dates and for the periods therein specified and there has been no Material Adverse Change in the financial position of GENIVAR Inc. and its Subsidiaries from that reflected in the GENIVAR Financial Statements.

4.1.18 **GENIFINANCE Financial Statements.**

The GENIFINANCE Financial Statements have been prepared in accordance with GAAP on a basis consistent with those of previous fiscal years and each fairly, accurately and completely discloses in all material respects (i) the assets, liabilities and obligations (whether accrued, contingent, absolute or otherwise), income, losses, retained earnings, reserves and financial position of GENIFINANCE, (ii) the results of operations of GENIFINANCE and (iii) the changes in the financial position of GENIFINANCE, all as at the dates and for the periods therein specified and there has been no Material Adverse Change in the financial position of GENIFINANCE from that reflected in the GENIFINANCE Financial Statements.

4.1.19 **Litigation and Other Proceedings.**

As of April 15, 2010, except as set out in section 4.1.19 of the Disclosure Letter: (a) there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal); arbitration or other dispute settlement procedure; investigation or inquiry by any Governmental Authority; or any similar matter or proceeding (collectively, the "**Proceedings**") against or involving GENIVAR Inc., any of its Subsidiaries or GENIFINANCE (whether in progress or, to the Knowledge of GENIVAR Inc. or GENIFINANCE, threatened); (b) to the Knowledge of GENIVAR Inc. or GENIFINANCE, no event or fact has occurred which might give rise to any such Proceedings; (c) there is no judgment, decree, injunction, rule, award or order of any Governmental Authority outstanding against GENIVAR Inc., any of its Subsidiaries or GENIFINANCE; and (d) no complaint, grievance, claim, insurance claim, work order or, to the Knowledge of GENIVAR Inc. or GENIFINANCE or any of its Subsidiaries, investigation has been filed, made or commenced against GENIVAR Inc., any of its Subsidiaries or GENIFINANCE. As of December 31, 2010, except as disclosed in writing by KPMG and the Fund prior to December 31, 2010, there will be no Proceedings against or involving GENIVAR Inc., any of its Subsidiaries or GENIFINANCE (whether in progress or, to the Knowledge of GENIVAR Inc. or GENIFINANCE, threatened); (b) to the Knowledge of GENIVAR Inc. or GENIFINANCE, no event or fact will have occurred which might give rise to any such Proceedings; (c) there will be no judgment, decree, injunction, rule, award or order of any Governmental Authority outstanding against GENIVAR Inc., any of its Subsidiaries, or GENIFINANCE; and (d) no complaint, grievance, claim, insurance claim, work order or, to the Knowledge of GENIVAR Inc. or GENIFINANCE or any of its Subsidiaries, investigation will have been filed, made or commenced against GENIVAR Inc., any of its Subsidiaries or GENIFINANCE.

4.1.20 **Liabilities and Guarantees.**

Except as set out in section 4.1.20 of the Disclosure Letter, none of GENIVAR Inc., its Subsidiaries or GENIFINANCE has any outstanding liabilities, contingent or otherwise, and none of GENIVAR Inc., its Subsidiaries or

GENIFINANCE is a party to or bound by any agreement of guarantee, support, indemnification, assumption, or endorsement of, or any other similar commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, other than:

- (a) those set out in the GENIVAR Financial Statements or the GENIFINANCE Financial Statements including the notes thereto; and
- (b) liabilities incurred after December 30, 2009 in the Ordinary Course.

4.1.21 **Indebtedness.**

As of April 15, 2010, except as set out in the GENIVAR Financial Statements, in the GENIFINANCE Financial Statements or in section 4.1.21 of the Disclosure Letter, none of GENIVAR Inc., its Subsidiaries or GENIFINANCE, has any outstanding bonds, debentures, notes, mortgages, interest bearing debt or other indebtedness, and none of GENIVAR Inc., its Subsidiaries or GENIFINANCE has agreed to create or issue any such bonds, debentures, notes, mortgages or other indebtedness. As of December 31, 2010, except as set out in the GENIVAR Financial Statements, in the GENIFINANCE Financial Statements or disclosed in writing to KPMG and the Fund prior to the Effective Date, none of GENIVAR Inc., its Subsidiaries or GENIFINANCE will have any outstanding bonds, debentures, notes, mortgages, interest bearing debt or other indebtedness, and none of GENIVAR Inc., its Subsidiaries or GENIFINANCE will have agreed to create or issue any such bonds, debentures, notes, mortgages or other indebtedness.

4.1.22 **Absence of Unusual Transactions and Events.**

Except as contemplated in this Agreement or disclosed in section 4.1.22 of the Disclosure Letter, none of GENIVAR Inc., its Subsidiaries or GENIFINANCE has since December 30, 2009;

- (a) paid or satisfied any obligation or liability, absolute or contingent, other than current liabilities or obligations disclosed in GENIVAR Financial Statements or in GENIFINANCE Financial Statements and current liabilities or obligations incurred since December 31, 2009 in the Ordinary Course;
- (b) waived or cancelled any rights or claims or made any gift, other than donations made in the Ordinary Course;
- (c) except as disclosed in the Fund's Public Record, sold or otherwise disposed of any fixed or capital assets having a fair market value, in the case of any single sale or disposition, in excess of \$50,000 and, in the case of all sales and dispositions, in excess of \$250,000 in the aggregate;

- (d) made any capital expenditures, in the case of any single capital expenditure, in excess of \$50,000 and, in the case of all capital expenditures, in excess of \$250,000 in the aggregate;
- (e) made or suffered any change or changes in its financial condition, assets, liabilities or its business which, individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect;
- (f) suffered or incurred any damage, destruction or loss, whether or not covered by insurance, which would reasonably be expected to result in a Material Adverse Effect;
- (g) (i) made any change (or filed any such change) in any method of Tax accounting for a material amount of Taxes or (ii) made, changed or rescinded any Tax election, settled or compromises any liability for Taxes, filed any amended Tax Return involving an amount of additional Taxes (except as required by Law), entered into any closing agreement relating to an amount of Taxes, surrendered any right to claim a Tax refund, or waived or extended the statute of limitations in respect of Taxes (other than pursuant to extensions of time to file Tax Returns obtained in the ordinary course of business), to the extent that, in each case, any such action would have a Material Adverse Effect and was not taken in the ordinary course of business consistent with past practice; or
- (h) authorized or agreed or otherwise become committed to do any of the foregoing.

4.1.23 Non-Arm's Length Transactions.

- 4.1.23.1 None of GENIVAR Inc., its Subsidiaries Inc. or GENIFINANCE has made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any other Person with whom GENIVAR Inc., its Subsidiaries or GENIFINANCE is not dealing at arm's length (within the meaning of the Tax Act) or any Affiliate of any of the foregoing, except as disclosed in the GENIVAR Financial Statements, in the GENIFINANCE Financial Statements or in section 4.1.23 of the Disclosure Letter;
- 4.1.23.2 Except as disclosed in section 4.1.23 of the Disclosure Letter, none of GENIVAR Inc., its Subsidiaries or GENIFINANCE, is a party to any Contract with any officer, director, employee, shareholder or any other Person with whom GENIVAR Inc., its Subsidiaries or GENIFINANCE is not dealing at arm's length (within the meaning of the Tax Act) or any Affiliate of any of the foregoing.

4.1.24 No Default Under Agreements.

Except as set forth in section 4.1.24 of the Disclosure Letter, to the Knowledge of GENIVAR Inc. and GENIFINANCE, none of GENIVAR Inc., its Subsidiaries or GENIFINANCE is in default or breach of any material Contract, and there exists no state of facts which after notice or the passage of time, or both, would constitute such a default or breach, and all such material Contracts are now in good standing and GENIVAR Inc., its Subsidiaries and GENIFINANCE are entitled to all benefits, rights and privileges thereunder.

4.1.25 Material Contracts.

Except for the Contracts disclosed in section 4.1.25 of the Disclosure Letter (the "**Material Contracts**"), neither GENIVAR Inc., its Subsidiaries nor GENIFINANCE is a party to or bound by:

- (a) any distribution, sales, advertising, agency, franchise or manufacturer's representative Contract;
- (b) any ongoing Contract for the purchase of materials, supplies, equipment or services involving in the case of any such Contract more than \$50,000 over the term of the Contract;
- (c) any Contract that expires, or that may be renewed at the option of any Person other than GENIVAR Inc., its Subsidiaries or GENIFINANCE so as to expire, more than one year after the date of this Agreement;
- (d) any trust indenture, deed of hypothec, mortgage, promissory note, loan agreement or other Contract for the borrowing or lending of money, any currency exchange, swaps, commodities or other hedging or derivative arrangement, or any leasing transaction of the type required to be capitalized in accordance with GAAP;
- (e) any Contract for capital expenditures;
- (f) any Contract pursuant to which the GENIVAR Inc., its Subsidiaries or GENIFINANCE is a lessor of any machinery, equipment, motor vehicles, office furniture, fixtures or other movable or personal property;
- (g) any confidentiality, secrecy or non-disclosure Contract or any Contract limiting the freedom of GENIVAR Inc., its Subsidiaries or GENIFINANCE to engage in any line of business, compete with any other Person, solicit employees or clients, operate its assets at maximum production capacity or otherwise conduct its business;
- (h) any Contract involving any continuing representation, warranty or indemnification obligation of GENIVAR Inc., its Subsidiaries or GENIFINANCE to any other Person, other than in the Ordinary Course;

- (i) any Contract of guarantee, support, indemnification, assumption or endorsement of, or any similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or indebtedness of any other Person;
- (j) any partnership, joint venture or alliance Contracts;
- (k) any other Contract made out of the Ordinary Course; or
- (l) any Contract that would reasonably be considered to be material to the business of GENIVAR Inc., its Subsidiaries or GENIFINANCE.

4.1.26 Owned Properties.

GENIVAR Inc. and GENIFINANCE do not own any real estate assets or interests. GENIVAR Inc.'s Subsidiary, 9050-7419 Québec Inc. has good and marketable title to the Owned Property free and clear of all Liens except for Permitted Liens. All of the Buildings and Fixtures on the Owned Property were constructed in accordance with all applicable Laws. None of the Owned Property or the Buildings and Fixtures thereon, nor their use, operation or maintenance for the purpose of carrying on the business, violates any restrictive covenant or any provision of any Law or encroaches on any property owned by any other Person. No condemnation or expropriation proceeding is pending or, to the Knowledge of GENIVAR Inc. threatened against the Owned Property which would preclude or impair the use of the Owned Property for the purposes for which they are currently used. There are no outstanding work orders from or required by any municipality, police department, fire department, sanitation, health or safety authorities or from any other Person relating to the Owned Property and there are no matters under discussion with or by GENIVAR Inc. or its Subsidiaries relating to any work orders.

4.1.27 Construction Activities.

Except as set forth in section 4.1.27 of the Disclosure Letter, GENIVAR Inc. and GENIFINANCE do not and have never directly carried any construction business activities or projects and do not and have never guaranteed the performance of any such construction activities or projects. The GENIVAR Contracting Business has been historically carried on by GENIVAR Construction Inc. and GENIVAR Construction Ltd.

4.1.28 Environmental Matters.

For the purposes of this section 4.1.28, neither GENIVAR Inc. nor its Subsidiaries are making any representation or warranties with respect to immovable properties formerly owned, leased or used by GENIVAR Inc. or its Subsidiaries which have been transferred by GENIVAR Inc. to GENIVAR LP as of May 25, 2006.

- (a) GENIVAR Inc. and its Subsidiaries and all of their assets, including the Owned Property, are, and at all times have been, in compliance with all Environmental Laws except where non-compliance would not reasonably be expected to result in a Material Adverse Effect and, to the Knowledge of GENIVAR Inc., its Subsidiaries and GENIFINANCE, there are no facts that could give rise to such non-compliance by any of them with any Environmental Law.
- (b) GENIVAR Inc. and its Subsidiaries are in possession of all environmental Permits necessary to lawfully conduct and operate their businesses and activities and occupy the Owned Property in the manner they currently conduct, operate and occupy such businesses, activities and Owned Property. To the Knowledge of GENIVAR Inc. and its Subsidiaries, such Permits are validly issued, in full force and effect, have been complied with and there are no Proceedings in progress, pending or, to the Knowledge of GENIVAR Inc. and its Subsidiaries, threatened by any Governmental Authority, which may result in the cancellation, revocation, suspension or modification of any such environmental Permit except where any such cancellation, revocation, suspension or modification would not reasonably be expected to result in a Material Adverse Effect.
- (c) None of GENIVAR Inc. nor its Subsidiaries has received or to the Knowledge of GENIVAR Inc., has any basis to expect receipt of any written request for information, complaint, demand, inquiry, notice, directive, order, warning or other communication from any Governmental Authority or other Person that relates to any Hazardous Materials or any alleged, actual or potential violation of failure to comply with any Environmental Laws, or any other information indicating that it is or may be liable or held responsible under Environmental Laws.
- (d) None of GENIVAR Inc. nor its Subsidiaries has used the Owned Property or any other immovable property currently or formerly owned, leased or used by GENIVAR Inc. and its Subsidiaries, or over which any of them has or had charge, management or control, or permitted them to be used, to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, use, produce or process Hazardous Materials, except in compliance with all applicable Environmental Laws or except in a manner that would not have a Material Adverse Effect.
- (e) Except as disclosed in section 4.1.28 of the Disclosure Letter, to the Knowledge of GENIVAR Inc., its Subsidiaries and GENIFINANCE, there are no Hazardous Materials located on, at, in or under any of the immovable or real properties (including the Owned Property) currently or formerly, owned, leased or used by any of GENIVAR Inc. or its Subsidiaries.

- (f) Except as disclosed in section 4.1.28 of the Disclosure Letter, to the Knowledge of GENIFINANCE and GENIVAR Inc., none of the immovable or real properties (including the Owned Property) currently or formerly owned, leased or used by any of GENIVAR Inc. and its Subsidiaries or over which any of them has or had charge, management or control has ever had aboveground or under-ground storage systems, active or abandoned, while owned, leased or used by any of GENIVAR Inc. and its Subsidiaries to the Knowledge of GENIVAR Inc., its Subsidiaries and GENIFINANCE, while owned, leased or used by any other Person.
- (g) GENIVAR Inc. and its Subsidiaries have made available to the Fund copies of all documents, records, and information in GENIVAR Inc.'s and its Subsidiaries' possession or control concerning any environmental matter and with respect to any of the Owned Property or, other immovable properties currently or formerly, owned, leased or used by any of GENIVAR Inc., its Subsidiaries or GENIFINANCE or over which any of them has or had charge, management or control, including documentation regarding waste disposal, reports, correspondence, related to environmental matters issued by any Governmental Authority, and analyses and monitoring data for soil, groundwater and surface water and all third party reports pertaining to any environmental assessments or audits that were obtained by, or are in the possession or control of, GENIVAR Inc., its Subsidiaries or GENIFINANCE and with respect to any of the Owned Property (the "**Environmental Reports**").
- (h) None of GENIVAR Inc., its Subsidiaries or GENIFINANCE has any liability, nor is it required or expected to incur compliance costs, under any Environmental Laws.

4.1.29 **Tax Matters.**

Except as set out in section 4.1.29 of the Disclosure Letter and except for matters which may arise as a result of or in connection with the transactions contemplated by this Agreement:

- (a) Each of GENIVAR Inc., its Subsidiaries and GENIFINANCE has duly and timely filed all Tax Returns required to be filed by it prior to the date hereof with any Governmental Authority in all applicable jurisdictions. All such Tax Returns are true, correct and complete in all material respects. Each of GENIVAR Inc., its Subsidiaries and GENIFINANCE has timely paid all Taxes, including instalments or prepayments of Taxes, which are required to have been paid to any Governmental Authority prior to the date hereof, whether or not shown as being due on any tax return, or has established reserves that are reflected in GENIVAR Inc.'s balance sheet or GENIFINANCE's balance sheet that are adequate for the payment of all Taxes that are not yet due and payable (and that will not

be due and payable by the Effective Date) and that relate to periods ending on or prior to the Effective Date;

- (b) Each of GENIVAR Inc., its Subsidiaries and GENIFINANCE has withheld or collected and remitted to the appropriate Governmental Authority, on a timely basis, all Taxes that are required to have been withheld or collected and remitted by it (including Taxes required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account of any Person, including any employees, officers or directors and any non-resident Person);
- (c) the GENIVAR Financial Statements and the GENIFINANCE Financial Statements reflect an appropriate reserve in accordance with generally accepted accounting principles for all Taxes, and all professional fees related thereto, owing by GENIVAR Inc., its Subsidiaries or GENIFINANCE that are not yet due and payable, whether or not assessed and whether or not shown as being due on any Tax Return, for all periods up to the date of the balance sheet comprising part of the GENIVAR Financial Statements or the GENIFINANCE Financial Statements;
- (d) there are no assessments, reassessments, audits, investigations or other Proceedings in progress, pending or, to the Knowledge of GENIVAR Inc., its Subsidiaries or GENIFINANCE, threatened against GENIVAR Inc., its Subsidiaries or GENIFINANCE in respect of any Taxes and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued to, or raised in respect of, GENIVAR Inc., its Subsidiaries or GENIFINANCE by any Governmental Authority relating to any Taxes;
- (e) there are no Liens against any of the assets of GENIVAR Inc., its Subsidiaries or GENIFINANCE that arose in connection with any failure (or alleged failure) to pay any Taxes when due, other than Liens for Taxes that are not yet due and payable or that are being contested in good faith and for which adequate provision has been made in the GENIVAR Financial Statements or in the GENIFINANCE Financial Statements;
- (f) None of GENIVAR Inc., its Subsidiaries or GENIFINANCE has requested or entered into any agreement, waiver or arrangement with any Governmental Authority that relates to any extension of time with respect to the filing of any Tax Return, any payment or remittance of Taxes or any assessment;
- (g) None of GENIVAR Inc., its Subsidiaries or GENIFINANCE has entered into any agreement with, or provided any undertaking to, any Person pursuant to which it has assumed liability for, or agreed to indemnify in respect of, the payment of Taxes owing by such Person, and none of

GENIVAR Inc., its Subsidiaries or GENIFINANCE is subject to liability for Taxes of any other Person;

- (h) None of Sections 79, 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act, or any equivalent provisions of the taxation legislation of any province or any other jurisdiction, have applied or will apply to GENIVAR Inc., its Subsidiaries or GENIFINANCE at any time up to and including the Effective Date.
- (i) For all transactions between GENIVAR Inc., its Subsidiaries or GENIFINANCE and any non resident person with whom GENIVAR Inc., its Subsidiaries or GENIFINANCE was not dealing at arm's length during a taxation year commencing after 1998 and ending on or before the Effective Date, GENIVAR Inc., its Subsidiaries or GENIFINANCE has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act, or any equivalent provision of the taxation legislation of any province or any other jurisdiction;
- (j) None of GENIVAR Inc., its Subsidiaries or GENIFINANCE has ever been required to file any Tax Return with, or has ever been liable to pay any Taxes to, any Governmental Authority outside Canada, and no claim has ever been made by any Governmental Authority in a jurisdiction where GENIVAR Inc., its Subsidiaries or GENIFINANCE does not file Tax Returns that it is or may be subject to the imposition of any Tax by that jurisdiction;
- (k) Each of GENIVAR Inc., its Subsidiaries and GENIFINANCE has conducted all aspects of its business in accordance with the terms and conditions of all tax rulings and tax concessions currently in effect that were provided by any Governmental Authority;
- (l) GENIVAR Inc. is duly registered with the Canada Revenue Agency for purposes of the goods and services tax ("**GST**") under Part IX of the *Excise Tax Act* (Canada) and its registration number is 14015 0269 RT0001. None of GENIVAR Inc., its Subsidiaries or GENIFINANCE is and has ever been a "financial institution" within the meaning of the *Excise Tax Act* (Canada). GENIVAR Inc. is duly registered with Revenue Quebec for purposes of the Quebec Sales Tax ("**QST**") and its registration number is 1017504041 TQ0001. All input tax credits claimed by GENIVAR Inc. were calculated in accordance with the *Excise Tax Act* (Canada). All input tax refunds claimed by GENIVAR Inc. were calculated in accordance with the *Tax Act* (Quebec). GENIVAR Inc. has duly and timely complied with all registration, reporting, payment, collection and remittance requirements in respect of GST, QST and any other applicable provincial sales tax or harmonized sales tax legislation;

4.1.30 Insurance.

- 4.1.30.1 GENIVAR Inc. maintains the insurance policies set forth in section 4.1.30 of the Disclosure Letter;
- 4.1.30.2 GENIVAR Inc. maintains one or more error and omission insurance policy and general liability insurance with recognized insurers as are commercially reasonable to cover the current and former activities of GENIVAR Inc. and its Subsidiaries, including under the General Contracting Business in such amounts and against such risks as are customarily carried and insured against by prudent owners of comparable businesses. Such policies provide for a coverage that extends to all of the jurisdictions in which GENIVAR Inc. and its Subsidiaries carry or used to carry on the General Contracting Business.
- 4.1.30.3 All physical assets of GENIVAR Inc. are covered by insurance with responsible insurers against such risks and in such amounts as are reasonable for prudent owners of comparable assets.
- 4.1.30.4 All such policies of insurance coverage are in full force and effect. GENIVAR Inc. and its Subsidiaries are not in default with respect to any of the provisions contained in any such insurance policy and have not failed to give any notice or present any claim under any such insurance policy in due and timely fashion. To the Knowledge of GENIVAR Inc., there are no circumstances in respect of which any Person could make a claim under any insurance policy.

4.1.31 Permits and Registrations.

GENIVAR Inc. and its Subsidiaries hold all permits, licences, approvals, consents, Authorizations, registrations, certificates and franchises, which it requires, or is required to have, to own its properties and assets and to carry on their business as presently conducted by it (collectively, the "Permits"). Each of GENIVAR Inc. and its Subsidiaries is in compliance in all material aspects with the terms and conditions relating to the Permits. There are no Proceedings in progress, pending or, to the Knowledge of GENIVAR Inc. and its Subsidiaries, threatened which may result in revocation, cancellation, suspension, rescission or any adverse modification of any of the Permits nor, to the Knowledge of GENIVAR Inc., are there any facts upon which such Proceedings could reasonably be based. Neither the terms and conditions relating to the Permits nor the Laws pursuant to which the same were issued require that any consent or approval of, or filing with or notice to, any Governmental Authority or other Person be made to assure the continued holding by GENIVAR Inc. and its Subsidiaries of the Permits after completion of the transactions contemplated by this Agreement. GENIFINANCE does not hold any Permits.

4.1.32 Corporate Records.

The corporate records and minute books of GENIVAR Inc., its Subsidiaries and GENIFINANCE are complete and up-to-date and contain complete and accurate minutes, in all material respect, of all meetings of directors and committees thereof and shareholders held since its incorporation, and all such meetings were duly called and held. The share certificate books, register of shareholders, register of transfers and register of directors of GENIVAR Inc., its Subsidiaries and GENIFINANCE are complete and accurate.

4.1.33 No Improper Payments.

To the Knowledge of GENIVAR Inc. and GENIFINANCE, none of GENIVAR Inc., its Subsidiaries or GENIFINANCE has made, at any time during the last three (3) years (i) any unlawful contribution to any political party or candidate, or failed to disclose fully any contribution in violation of Law, (ii) any payment to any federal, state, provincial or local governmental, regulatory or administrative officer or official, or other Person charged with similar public or quasi-public duties, other than payments required or permitted by the Laws of Canada, or any jurisdiction thereof, or (iii) any material payment or granted any other material benefit to any customer, vendor or business partner for the purpose or effect of inducing such customer, vendor or business partner to enter into or continue a business relationship with GENIVAR Inc., its Subsidiaries or GENIFINANCE or to purchase from or sell to GENIVAR Inc., its Subsidiaries or GENIFINANCE goods or services.

4.1.34 No Option to Purchase Assets.

No Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase or other acquisition from GENIVAR Inc., its Subsidiaries or GENIFINANCE of any of the Assets.

4.1.35 Accounts Receivable.

All Accounts Receivable of GENIVAR Inc., its Subsidiaries and GENIFINANCE are *bona fide*, result from the Ordinary Course, have been properly recorded in the Ordinary Course and, subject to reserves for doubtful accounts recorded in the Ordinary Course, are good and collectible in full when due without any discount, set-off or counterclaim and without the need to resort to litigation.

4.1.36 Intellectual Property.

None of GENIVAR Inc., its Subsidiaries or GENIFINANCE owns or possesses any right, title and interest into any Intellectual Property.

4.1.37 Accuracy.

The information and statements set forth in the Fund Circular pertaining to GENIVAR Inc., its Subsidiaries and GENIFINANCE are true, correct and complete and do not contain any misrepresentation, as of the date of such information or statements.

4.1.38 No Leased Property.

Except as set out in section 4.1.38 of the Disclosure Letter, none of GENIVAR Inc., its Subsidiaries and GENIFINANCE is a party to, or under any agreement to become a party to, any lease with respect to real property.

4.1.39 Employee.

None of GENIVAR Inc. or its Subsidiaries currently has any employee. GENIFINANCE has never had any employee.

4.1.40 Employee Plans.

None of GENIVAR Inc. or its Subsidiaries currently has any Employee Plan or has any obligation (contingent or otherwise) under any past Employee Plans. GENIFINANCE has never had any Employee Plan.

4.1.41 Reviewed Consolidated Financial Statements.

The Reviewed Consolidated Financial Statements will be prepared in accordance with GAAP on a basis consistent with the financial statements of previous years and will fairly, accurately and completely disclose in all material respects (i) the assets, liabilities and obligations (whether accrued, contingent, absolute or otherwise), income, losses, retained earnings, reserves and financial position of GENIVAR Inc., its Subsidiaries and GENIFINANCE; (ii) the results of operations of GENIVAR Inc., its Subsidiaries and GENIFINANCE; and (iii) the changes in the financial position of GENIVAR Inc., its Subsidiaries and GENIFINANCE, all as at the date and for the period therein specified;

4.1.42 Information to prepared the Pro Forma Adjusted Net Asset Value.

GENIVAR Inc. and GENIFINANCE will provide to KPMG all the information necessary or useful to prepare the Pro Forma Adjusted Net Asset Value no later than December 31, 2010 and all such information will be true, complete and accurate when it is provided to KPMG.

4.1.43 Recommendations of the board of Directors.

The board of Directors of both GENIVAR Inc. and GENIFINANCE, respectively, have (a) determined that this transaction to be effected pursuant to the Arrangement is in the best interests of GENIVAR Inc., GENIFINANCE, the holders of Common Shares and the GENIFINANCE Shareholders;

(b) unanimously passed a resolution (with interested directors abstaining) to adopt the Arrangement and (c) recommended that GENIVAR Shareholders and GENIFINANCE Shareholders vote in favour of the Arrangement.

4.1.44 Lock-Up

Each of Pierre Shoiry, Ali Ettehadieh, Marcel Boucher, François Perreault, Éric Tremblay, Marc Rivard, Brian Oshust have entered into a lock-up agreement with New GENIVAR, substantially in the form attached hereto under Schedule D hereof, as of the date of this Agreement;

4.1.45 No Material Adverse Change.

Except as has been publicly disclosed or set forth in section 4.1.45 of the Disclosure Letter, since December 31, 2009, there has not been any Material Adverse Change with respect to GENIVAR Inc., its Subsidiaries or GENIFINANCE, and, to the Knowledge of GENIVAR Inc., its Subsidiaries or GENIFINANCE, no event has occurred or circumstance exists which would reasonably be expected to result in a Material Adverse Change with respect to GENIVAR Inc., its Subsidiaries or GENIFINANCE, provided however that this representation and warranty does not include any effects which the transactions contemplated in this Agreement.

4.2 Representations and Warranties of the Fund

The Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario represent and warrant to GENIVAR Inc. and GENIFINANCE, as follows, as at the date hereof and acknowledge and confirm that GENIVAR Inc. and GENIFINANCE are relying upon such representations and warranties in connection with the completion of the Arrangement.

4.2.1 Formation, Constitution and Power of the Fund.

The Fund has been duly created and is validly existing as a trust under the Laws of the Province of Québec and the Fund Trustees have been appointed as trustees of the Fund. The Fund has the power and legal capacity to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated herein.

4.2.2 Formation, Constitution and Power of the Trust.

The Trust has been duly created and is validly existing as a trust under the Laws of the Province of Québec and the trustees of the Trust have been appointed as trustees of the Trust. The Trust has the power and legal capacity to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated herein.

4.2.3 Formation, Constitution and Power of GENIVAR GP and GENIVAR LP.

GENIVAR LP is a limited partnership duly formed and existing under the Laws of the Province of Québec. GENIVAR GP is a corporation duly incorporated, organized and existing under the Laws of Canada and is the sole general partner of GENIVAR LP. The sole shareholder of GENIVAR GP is the Trust. GENIVAR GP, on its behalf and on behalf of GENIVAR LP, has the necessary power and authority to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated herein.

GENIVAR GP has the power to own its property and to carry on its proposed affairs in compliance with the terms and provisions of its articles and by-laws.

4.2.4 Formation, Constitution and Power of GENIVAR Ontario and GENIVAR Consultants LP.

GENIVAR Consultants LP is a limited partnership duly formed and existing under the Laws of the Province of Québec. GENIVAR Ontario is a corporation duly incorporated, organized and existing under the Laws of the Province of Ontario and is the sole general partner of GENIVAR Consultants LP. The sole shareholder of GENIVAR Ontario is GENIVAR LP. GENIVAR Ontario, on its behalf and on behalf of GENIVAR Consultants LP, has the necessary power and authority to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated herein.

GENIVAR Ontario has the power to own its property and to carry on its proposed affairs in compliance with the terms and provisions of its articles and by-laws.

4.2.5 Capitalization of GENIVAR LP.

The authorized capital of GENIVAR LP consists of an unlimited number of Class A LP Units, Class B LP Units and Class C LP Units and an unlimited number of units designated as "GP Units", of which 18,103,589 Class A LP Units, 4,328,542 Class B LP Units, 4,731,845 Class C LP Units and 1 GP Unit are issued and outstanding;

4.2.6 Due Authorization.

Each of this Agreement and the other agreements required by this Agreement to be delivered by the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Ontario and GENIVAR Consultants LP, prior to the Effective Time has been, or will be at the Effective Time, duly authorized by the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Ontario and GENIVAR Consultants LP. This Agreement has been duly executed and delivered by the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Ontario and GENIVAR Consultants LP, and is a valid and binding obligation of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Ontario and GENIVAR Consultants LP, enforceable in

accordance with its terms, subject to the usual exceptions as to bankruptcy and inability of equitable remedies.

4.2.7 Reporting Issuer Status.

The Fund is a reporting issuer in all Jurisdictions and is in material compliance with all applicable Securities Laws therein. The Units are listed and posted for trading on the TSX and the Fund is in material compliance with the rules of the TSX.

4.2.8 Public Record.

The information and statements set forth in the Public Record pertaining to the Fund and its business (i) contain no misrepresentation and (ii) constitute full, true and plain disclosure of all material facts relating to the Fund and its business, as of the respective dates of such information or statements.

4.2.9 Recommendation of the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors.

The Board of Fund Trustees, the Board of Trustees and the Board of GP Directors have unanimously determined (with interested directors and trustees abstaining) that the Arrangement is fair to the Unitholders (other than the Excluded Unitholders) and is in the best interests of the Fund and its Unitholders, and recommended that Unitholders (other than the Excluded Unitholders) vote in favour of the Arrangement;

4.2.10 No Material Adverse Change.

Since December 31, 2009, there has not been any Material Adverse Change with respect to the Fund or its Subsidiaries, and no event has occurred or circumstance exists which would reasonably be expected to result in a Material Adverse Change with respect to the Fund or its Subsidiaries, provided however that this representation and warranty does not include any effects which the transactions contemplated in this Agreement.

4.3 No Brokers' or Finders' Fees

Except as set out in section 4.3 of the Disclosure Letter, each of the parties represents and warrants to the others that such party has not taken, and agrees that it will not take, any action that would cause the other party to become liable to any claim or demand for any commission or brokers' or finders' fee or other similar payment in connection with any of the transactions contemplated by this Agreement.

4.4 Survival of Representations and Warranties of GENIVAR Inc. and GENIFINANCE

To the extent that they have not been fully performed at or prior to the Effective Time and for the purposes of the determination of the payment schedule provided in Article 7, the representations and warranties of GENIVAR Inc. and GENIFINANCE contained in this

Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the completion of the Arrangement and shall continue for a period of 18 months following the Effective Date (the "**GENIVAR Survival Date**"). There shall not be any reduction to the Dividend Promissory Notes pursuant to Section 7.4.1 with respect to any representation or warranty after the end of the GENIVAR Survival Date, except for Damages or Potential Damages of which New GENIVAR, the Special Committee or the Dividend Committee is aware of prior to the end of the GENIVAR Survival Date.

4.5 Survival of Representations and Warranties of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario

The representations and warranties of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

**ARTICLE 5
CONDITIONS PRECEDENT**

5.1 Mutual Conditions Precedent

The respective obligations of the parties hereto to complete the transactions contemplated herein shall be subject to the satisfaction, on or before the Effective Time, of the following conditions precedent, each of which may be waived only by the mutual consent of the Fund and GENIVAR Inc.:

- (a) the Interim Order shall have been granted in form and substance satisfactory to each of the parties hereto, acting reasonably, no later than April 30, 2010 or such later date as the parties hereto may agree and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;
- (b) the Arrangement and transactions contemplated by this Agreement shall have received Unitholder Approval at the Fund Meeting and Shareholder Approval at the GENIVAR Meeting in accordance with any conditions imposed by the Interim Order;
- (c) the Final Order shall have been granted in form and on terms satisfactory to each of the parties hereto, acting reasonably, no later than June 30, 2010 or such later date as the parties hereto may agree and shall not have been set aside or modified in a manner unacceptable to such parties, acting reasonably, on appeal or otherwise;
- (d) the Articles of Arrangement and all necessary related documents, in form and substance satisfactory to each of the parties hereto, acting reasonably, shall have been accepted for filing by the Director together with the Final Order in accordance with subsection 192(6) of the CBCA;

- (e) no provision of any applicable Laws and no judgment, injunction, order or decree shall be in effect which restrains or enjoins or otherwise prohibits the consummation of the Arrangement or the transactions contemplated by this Agreement;
- (f) the New GENIVAR Shares issuable pursuant to the Arrangement shall be issued pursuant to exemptions from the registration and prospectus requirements of applicable Canadian Securities Laws, and the TSX shall have approved the substitutional listing and posting for trading of the New GENIVAR Shares, subject only to the filing of required documents which cannot be filed prior to the Effective Date;
- (g) no material action or proceeding shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable Law which is enacted, enforced, promulgated or issued by any Governmental Authority, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein;
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein; or
 - (iii) otherwise have a Material Adverse Effect on any party hereto;
- (h) all third party and regulatory consents and approvals with respect to the transactions contemplated under the Arrangement listed under Schedule E hereto shall have been completed or obtained;
- (i) there shall not be Unitholders that hold, in aggregate, in excess of 2% of all issued and outstanding Units, immediately prior to the Effective Time, that have validly exercised their rights of dissent under the Interim Order and not withdrawn such exercise; and
- (j) this Agreement shall not have been terminated in accordance with its terms.

5.2 Additional Conditions to the Obligations of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario

In addition to the conditions contained in section 5.1, the obligation of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario to complete the transactions contemplated by this Agreement and the Arrangement is subject to the fulfillment or satisfaction, on or before the Effective Date, of each of the following conditions, any of which may be waived by them without prejudice to their right to rely on any other condition:

- (a) the representations and warranties of GENIVAR Inc., its Subsidiaries and GENIFINANCE made in or pursuant to this Agreement shall be true in all material respects (provided that those representations which are subject to qualifications or limitations as to materiality or Material Adverse Effect or Material Adverse Change shall be true in all respects) at the Effective Time with the same force and effect as if made at and as of the Effective Time;
- (b) each of the covenants, acts and undertakings of GENIVAR Inc., its Subsidiaries and GENIFINANCE to be performed or complied with on or before the Effective Date pursuant to the terms of this Agreement and the Arrangement shall have been duly performed or complied with in all material respects;
- (c) prior to the Effective Date, there shall have been no Material Adverse Change in the affairs, operations, financial condition or business of GENIVAR Inc., any of its Subsidiaries and GENIFINANCE, taken as a whole, from that reflected in the GENIVAR Financial Statements and the GENIFINANCE Financial Statements;
- (d) the Shareholders' Agreement shall have been terminated in accordance with its terms;
- (e) all of the Preferred Shares shall have been redeemed or cancelled in accordance with their terms or agreements with the holders thereof;
- (f) all letters of comfort or guarantees provided by GENIVAR Inc. in support of the loans granted in connection with the BMO Bank of Montreal employee shareholder financing plan shall have been cancelled or terminated in accordance with their terms and GENIVAR Inc. shall have no obligation thereunder;
- (g) all pledges granted on the Shares in favour of GENIVAR Inc. or GENIFINANCE shall have been released or cancelled;
- (h) all Significant Holders and all other holders of Common Shares immediately prior to the Effective Time shall have respectively entered into lock-up agreements with New GENIVAR, substantially in the form attached hereto under Schedule D and Schedule E;
- (i) All outstanding security registrations against GENIVAR Inc., its Subsidiaries and GENIFINANCE described in section 5.2 of the Disclosure Letter, shall have been discharged and cancelled prior to the Effective Date, except for the security registrations consented to by the Fund; provided that in providing such consent the Fund shall act in a commercially reasonable manner;

- (j) there shall not be holders of Common Shares or GENIFINANCE Shareholders that hold, in the aggregate, in excess of 0.75% of all outstanding Common Shares or GENIFINANCE Shares, as applicable, immediately prior to the Effective Time, that have validly exercised their rights of dissent under the Interim Order and not withdrawn such exercise; and
- (k) the Pro Forma Adjusted Net Asset Value shall not to be less than negative \$42,000,000 or more than negative \$1.00 on the Effective Date;
- (l) the Fund shall have received a certificate from GENIVAR Inc. and GENIFINANCE addressed to the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario and dated the Effective Time, signed on behalf of GENIVAR Inc. and GENIFINANCE by two senior executive officers of GENIVAR Inc. and GENIFINANCE (on their behalf and without personal liability), confirming the above as of the Effective Time (the "**Certificate**").

5.3 Additional Conditions to the Obligations of GENIFINANCE and GENIVAR Inc.

In addition to the conditions contained in section 5.1, the obligation of GENIFINANCE and GENIVAR Inc. to complete the transactions contemplated by this Agreement and the Arrangement is subject to the fulfillment or satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived by GENIFINANCE and GENIVAR Inc. without prejudice to its right to rely on any other condition:

- (a) the representations and warranties of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario made in or pursuant to this Agreement shall true in all material respects (provided that those representations which are subject to qualifications or limitations as to materiality or Material Adverse Effect or Material Adverse Change shall be true in all respects) at the Effective Time with the same force and effect as if made at and as of the Effective Time;
- (b) each of the covenants, acts and undertakings of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario to be performed or complied with on or before the Effective Date pursuant to the terms of this Agreement and the Arrangement shall have been duly performed or complied with in all material respects; and
- (c) prior to the Effective Date, there shall have been no Material Adverse Change in the affairs, operations, financial condition or business of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario and any of their respective Subsidiaries, taken as a whole, from that reflected in the Fund Circular (including the documents incorporated by reference therein).

- (d) GENIFINANCE and GENIVAR Inc. shall have received a certificate from the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario addressed to GENIVAR Inc. and GENIFINANCE and dated the Effective Time, signed on behalf of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP and GENIVAR Ontario by two senior executive officers of GENIVAR GP (on their behalf and without personal liability), confirming the above as of the Effective Time (the "**Fund Certificate**").

5.4 Notice and Effect of Failure to Comply with Conditions

If any of the conditions precedent set forth in sections 5.1, 5.2 or 5.3 hereof shall not be complied with or waived by the party or parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement provided that prior to the filing of the Articles of Arrangement for the purpose of giving effect to the Arrangement, the party intending to rely thereon has delivered a written notice to the other party, specifying in reasonable detail all breaches of covenants which the party delivering such notice is asserting as the basis for the non fulfillment of the applicable conditions precedent and the party in breach shall have failed to cure such breach within three Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a party.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the parties, Articles of Arrangement are filed under the CBCA to give effect to the Arrangement.

ARTICLE 6 ADDITIONAL AGREEMENTS OF THE PARTIES

6.1 Conduct of Business by GENIVAR Inc., its Subsidiaries and GENIFINANCE until the Effective Time.

Except as expressly provided in this Agreement or except with the prior written consent of the Fund, each of GENIVAR Inc. and GENIFINANCE shall and GENIVAR Inc. shall cause its Subsidiaries, prior to the Effective Time, operate its business only in the Ordinary Course and, without limiting the generality of the foregoing:

- (a) maintain itself at all times as a corporation duly organized, existing and in good standing under the Laws of its jurisdiction of existence;
- (b) use commercially reasonable efforts to preserve its business organization;
- (c) shall take all actions to support and cause the Arrangement to be completed in accordance with its terms;

- (d) maintain their books, records and accounts in the Ordinary Course;
- (e) do or refrain from doing all acts and things in order to ensure that the representations and warranties in section 4.1, remain true and correct at the Effective Time as if such representations and warranties were made at and as of such date and to satisfy or cause to be satisfied the conditions in Article 5 which are within its control;
- (f) shall update, as of December 31, 2010, the representations and warranties contained in sections 4.1.6 and 4.1.8, and shall provide a complete share register (in an acceptable format) of GENIVAR Inc. and GENIFINANCE and such updated representations and warranties and share registers shall be true and accurate as of December 31, 2010;
- (g) correctly prepare and duly and timely file all Tax Returns required to be filed on a basis consistent with past practice and with a view to maximizing the tax basis of assets of GENIVAR Inc., its Subsidiaries and GENIFINANCE and optimizing the use of accumulated tax losses to minimize the amount of tax losses that may expire, provided it would have no adverse impact on GENIVAR Inc., its Subsidiaries and GENIFINANCE, and consult with the Fund and its tax advisors at least five Business Days prior to such filing and give due consideration to their comments and make any change to the Tax Returns that the Fund or its tax advisors may reasonably request.

6.2 Negative Covenants of GENIVAR Inc., its Subsidiaries and GENIFINANCE.

Except as provided in this Agreement or except with the prior written consent of the Fund, GENIVAR Inc. and GENIFINANCE shall not, and GENIVAR Inc. shall cause its Subsidiaries not to, prior to the Effective Time :

- (a) amend their articles, by-laws, constating documents or other organizational documents;
- (b) amalgamate, merge or consolidate with, or acquire all or substantially all the shares or assets of, any Person, except with, any wholly-owned Subsidiaries or for internal reorganization purposes;
- (c) cancel or reduce any of their insurance coverage;
- (d) sell, or permit any of its Subsidiaries to sell, convey or transfer any of its Exchangeable LP Units of GENIVAR LP to any third party;
- (e) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Exchangeable LP Units, whether any such swap or transaction is to be settled by delivery of Exchangeable LP Units, in cash or otherwise

- (f) take any action, make any recommendation or approve or consent to any action that would result, directly or indirectly, in a sale of a majority of the Shares, voting power or the assets of GENIVAR Inc. or GENIFINANCE;
- (g) issue any Shares or permit any Shareholders to transfer any Shares in contravention of the Shareholders Agreement;
- (h) approve or recommend the approval of any amendment to the Shareholders Agreement other than the ones described in the management information circular of GENIVAR Inc. to be distributed to the GENIVAR Shareholders in connection with the GENIVAR Meeting;
- (i) materially change or modify accounting policies or procedures;
- (j) enter into, or cause any of its Subsidiaries to enter into, any agreement for the acquisition of the Ottawa Property on terms and conditions substantially different from those contained in the Form of Agreement; or
- (k) make any change (or file any such change) in any method of Tax accounting for a material amount of Taxes or (ii) make, change or rescind any Tax election, settle or compromise any liability for Taxes, file any amended Tax Return involving an amount of additional Taxes (except as required by Law), enter into any closing agreement relating to an amount of Taxes, surrender any right to claim a Tax refund, or waive or extend the statute of limitations in respect of Taxes (other than pursuant to extensions of time to file Tax Returns obtained in the ordinary course of business), to the extent that, in each case, any such action would have a Material Adverse Effect and is not taken in the ordinary course of business consistent with past practice;
- (l) do any act or thing of the kind described in sections 4.1.22 or 4.1.23.1 or enter into any Contract of the kind described in section 4.1.23.2.

6.3 Conduct of Business of the Fund Until Effective Time

Except as expressly provided in this Agreement, the Fund shall, prior to the Effective Time, operate its business only in the Ordinary Course and, without limiting the generality of the foregoing, do or refrain from doing all reasonable acts and things in order to ensure that the representations and warranties in section 4.2, remain true and correct at the Effective Time as if such representations and warranties were made at and as of such date and to satisfy or cause to be satisfied the conditions in Article 5 which are within its control.

6.4 Exclusivity

None of the obligations of the Fund contained herein shall prevent the Board of Fund Trustees, the Board of Trustees and the Board of GP Directors from responding to any unsolicited submission or proposal regarding any acquisition or disposition of assets or any

unsolicited proposal to amalgamate, merge or effect an arrangement or any unsolicited acquisition proposal generally or make any disclosure to its Unitholders with respect thereto.

6.5 Additional Covenants

Each of the parties covenants and agrees that if GENIVAR Inc., its Subsidiaries or GENIFINANCE is assessed under subsection 184(2) of the Tax Act in respect of a dividend paid at any time prior to the Effective Time on the basis that the dividend paid exceeded the capital dividend account at the time the dividend was paid, they shall (and shall cause their Affiliates to) cause such entity (or any successor corporation) to make an election under subsections 184(3) of the Tax Act (and any corresponding provincial equivalent) in a timely fashion to deem the amount of such excessive capital dividend to be treated as a separate taxable dividend and each of GENIVAR Inc., its Subsidiaries and GENIFINANCE hereby irrevocably concurs with the making of any such election by GENIVAR Inc., its Subsidiaries or GENIFINANCE (or any successor corporation, including, without limitation, New GENIVAR).

6.6 Director and Officer Run-Off Insurance

6.6.1 For a period of six years after the Effective Date, New GENIVAR shall maintain directors and officers insurance in the form of a six-year "run off" policy for the benefit of all current and past directors and officers of GENIVAR Inc., its Subsidiaries and GENIFINANCE covering any claims made during such six-year period, provided that, the Fund Trustees, Trustees and GP Directors will continue to be covered under the current directors and officers insurance until the Effective Date and that, following such date, they will continue to be covered under New GENIVAR's directors and officers insurance.

6.6.2 As of the Effective Date, New GENIVAR shall maintain an insurance policy for the directors and officers of New GENIVAR (in their capacity as such).

In the case of sections 6.6.1 and 6.6.2, such insurance shall be in scope and coverage no less favourable than the insurance currently maintained for the Fund Trustees, Trustees, GP Directors, any directors and officers of the Fund's Subsidiaries, GENIVAR Inc., its Subsidiaries and GENIFINANCE on the date hereof.

6.7 Cooperation

The parties shall cooperate fully in good faith with each other and their respective legal advisers, accountants and other representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement.

**ARTICLE 7
PAYMENT OF THE DIVIDEND AMOUNT**

7.1 Deduction from the Dividend Amount following the Effective Time.

After the Effective Time, any payments by New GENIVAR in satisfaction of the Dividend Amount Promissory Notes shall be reduced, in accordance with section 7.4, by any and all amounts of Damages suffered by New GENIVAR as a result of any breach of representations, warranties or covenants by GENIVAR Inc. or GENIFINANCE contained in this Agreement or in a Certificate from the Dividend Amount Promissory Notes. Any such reductions shall be made in accordance with Article 7 among the Holders on a *pro rata* basis based on their holdings of Common Shares immediately prior to the Effective Date.

7.2 Limitations to Reductions.

7.2.1 There shall be no obligation to deduct the amount of Damages from the Dividend Amount Promissory Notes under section 7.1 for breaches of representations and warranties until the total of all Damages (other than claims based on fraud or fraudulent or wilful misrepresentation which shall not be subject to the limitation contained in this section 7.2.1) exceeds \$100,000, and then such obligation shall be for the total amount of such Damages, including the initial \$100,000.

7.2.2 The aggregate amount of deductions to be made against the Dividend Amount Promissory Notes pursuant to section 7.1 shall not exceed \$3 million.

7.2.3 Except as set out in Article 7, Article 8 and Article 10, for greater certainty, it is hereby recognized and agreed by the parties hereto that no additional indemnification rights are available to the Fund or New GENIVAR with respect to this Agreement including any general indemnification rights pursuant to the Civil Code of Quebec or by Common Law.

7.3 Dividend Committee.

7.3.1 Appointment of the Dividend Committee.

Prior to the Effective Date, GENIVAR Inc. shall appoint the Members to form the Dividend Committee which Dividend Committee shall have the responsibility to, among other things, execute and deliver such documents, instruments or agreements, and do all acts and things necessary in connection with any matters related to the Dividend Amount Promissory Notes. In the event any Member resigns or is, for certain reasons, unable to act as Member, the Chief Executive Officer of New GENIVAR shall appoint a new Member.

7.3.2 Duties and Responsibilities of the Dividend Committee.

The Members of the Dividend Committee shall have the sole power and duty to manage all matters relating to the Dividend Amount Promissory Notes on

behalf of the holders of Common Shares immediately prior to the Effective Date (the "**Holders**"). The Dividend Committee shall not be liable to the Holders for any acts or omissions except to the extent that it or its Members have engaged in wilful misconduct or acted in bad faith.

7.3.3 Indemnification of the Dividend Committee

The Dividend Committee and each of its Members shall be indemnified and held harmless against any and all losses, liabilities, claims, damages, costs, charges or expenses incurred (including all legal and other expenses) by the Dividend Committee or a Member in respect of any Proceedings. However, there will be no obligation to indemnify a Member under this Agreement, unless the other two Members of the Dividend Committee determine, that:

- (a) the Member acted honestly and in good faith with a view to the best interests of the Holders; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Member had reasonable grounds for believing that his conduct was lawful.

7.3.4 Majority Consent of the Dividend Committee Members.

All decisions to be made by the Dividend Committee shall be made by a majority of the Members.

7.4 Payment of Dividend Amount.

7.4.1 Schedule Payment.

The Dividend Amount Promissory Notes shall be paid in accordance with the following schedule:

- (a) Subject to the approval of the Special Committee and upon receipt by the Special Committee of a written confirmation from the Dividend Committee, that the GENIVAR Survival Date has occurred, the Dividend Committee shall cause New GENIVAR to pay, by cheque, to each Holder, the amount outstanding under the Dividend Promissory Notes less the amounts of any Damages and Potential Damages, outstanding at such time.
- (b) Subject to the approval of the Special Committee and upon receipt by the Special Committee of a written confirmation from the Dividend Committee, that all the Damages and Potential Damages have been settled by the Dividend Committee in accordance with Article 7 or Article 9, the Dividend Committee shall pay, by cheque, to the Holders, the remaining outstanding amount under the Dividend Promissory Notes, less the amounts corresponding to the Damages settled in

accordance with this paragraph (except for Damages that have already been reflected in any reduction of the Dividend Promissory Notes pursuant to section 7.4.1(a).

7.5 Procedural Matters.

7.5.1 Delivery of Cheques.

The posting or delivery of the cheques required pursuant to section 7.4.1 at the address indicated for a Holder in the share register of GENIVAR Inc. shall be deemed to be a payment and shall satisfy and discharge all liabilities for the payment of the amounts payable under section 7.4.1. All payments made under the Dividend Promissory Notes will be subject to all applicable tax withholdings.

7.5.2 Notice in respect of a breach of representations, warranties or covenants.

The Dividend Committee shall advise, after the Effective Time, the Special Committee of any breach of representations, warranties or covenants by GENIVAR Inc. or GENIFINANCE, as soon as it becomes aware of any such breach of representations, warranties or covenants by GENIVAR Inc. or GENIFINANCE.

7.5.3 Calculation of Net Book Value.

For greater certainty, the Dividend Amount Promissory Notes shall be taken into account for the purposes of the determination of the Pro Forma Adjusted Net Asset Value and shall be considered as working capital elements so that their fair market value will be deemed equivalent to their face value.

**ARTICLE 8
AMENDMENT AND TERMINATION**

8.1 Amendments

This Agreement may, at any time and from time to time before or after the Fund Meeting and the GENIVAR Meeting, be amended in any respect whatsoever by written agreement of the parties hereto without further notice to or authorization on the part of their respective securityholders; provided that any such amendment that changes the consideration to be received by the Unitholders and/or the Shareholders pursuant to the Arrangement is brought to the attention of the Court before approval of the Final Order and is subject to such requirements as may be ordered by the Court.

8.2 Termination

This Agreement shall be terminated in each of the following circumstances:

- (a) the mutual agreement of the parties; and

- (b) the Arrangement shall not have become effective on or before January 10, 2011 or such later date as may be agreed to by the parties hereto.
- (c) termination of this Agreement under section 5.4 hereof. In the event the Fund and its Subsidiaries terminate this Agreement pursuant to section 5.4 because of a breach by GENIVAR and GENIFINANCE, GENIVAR Inc. and GENIFINANCE shall pay to the Fund and its Subsidiaries an amount of \$500,000 as a reimbursement of expenses. In the event GENIVAR Inc. and GENIFINANCE terminate this Agreement pursuant to section 5.4 because of a breach by the Fund and its Subsidiaries, the Fund and its Subsidiaries shall pay to GENIVAR Inc. and GENIFINANCE an amount of \$250,000 as a reimbursement of expenses.

Notwithstanding the foregoing, sections 10.1, 10.3, 10.4 and 10.8 shall survive a termination pursuant to section 8.2.

ARTICLE 9 DISPUTE RESOLUTION

9.1 Arbitration Procedure

All disputes over the validity or the amount of Potential Damages or Damages ("**Disputes**") and which cannot be settled by the Members of the Dividend Committee and the Special Committee pursuant to section 7.4.1 shall be determined by arbitration in accordance with the following provisions:

- (a) such dispute or difference shall be resolved by arbitration by a single arbitrator, if the Dividend Committee and the Special Committee can agree upon one arbitrator, or otherwise by three arbitrators, of whom one shall be appointed by the Dividend Committee and one shall be appointed by the Special Committee and the third shall be appointed by the two named arbitrators immediately after they are themselves appointed;
- (b) the Dividend Committee and the Special Committee shall be deemed to have failed to concur in appointing a single arbitrator if such an arbitrator shall not have been appointed within 15 Business Days after the service by either the Dividend Committee or the Special Committee upon the other of them of a notice requesting it to concur in the appointment of a single arbitrator;
- (c) if either the Dividend Committee or the Special Committee shall neglect or refuse to appoint an arbitrator for 15 Business Days after the other of them, having appointed its arbitrator, shall have served whichever of the Dividend Committee and the Special Committee in default with a notice to make such appointment, then whichever has appointed its arbitrator shall be entitled to apply to a Justice of the Superior Court of Québec to

have him appoint an arbitrator for whichever of the Dividend Committee and the Special Committee is in default;

- (d) the resolution of Disputes pursuant to the terms of this section shall be final and binding upon the parties to this Agreement, and there shall be no appeal therefrom, including, without limitation, any appeal to a court on a question of Law, a question of fact, or a question of mixed fact and Law; and
- (e) all arbitration proceedings shall take place in the City of Montreal, in the Province of Québec.

ARTICLE 10 GENERAL MATTERS

10.1 Liquidated Damages and Injunction Relief.

- 10.1.1 The parties acknowledge that all of the payment amounts set out in section 8.2(c) are payments of liquidated damages which are a genuine pre-estimate of the damages a party will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. Each party irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive. For greater certainty, the parties agree that the right to receive payment of the amount determined pursuant to section 8.2(c) in the manner provided therein is the sole and exclusive remedy of the party entitled to such payment in respect of the event giving rise to such payment, other than the right to injunctive relief in accordance with section 10.1.2 hereof to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any of such acts, covenants or agreements.
- 10.1.2 Each of the parties acknowledges and agrees that in the event of a breach by a party prior to the Effective Time of a covenant provided in this Agreement, a remedy in the form of monetary damages will be inadequate. Therefore, each party shall be and is hereby entitled, in addition to all other rights and remedies available to it, to apply to a court of competent jurisdiction for interim and permanent injunctive relief without the necessity of posting a bond or other security.

10.2 Public Notices

No press release or other announcement concerning the transactions contemplated by this Agreement shall be made by (a) GENIVAR Inc. or GENIFINANCE, by (b) New GENIVAR or by (c) the Fund without the prior written consent of the other parties (such consent not to be unreasonably withheld) provided, however, that any party may, without such consent, make such disclosure if the same is required by the TSX or by any Securities Commission or other similar regulatory authority having jurisdiction over such party or any of its Affiliates, and if such disclosure is required, the party making the disclosure shall use reasonable efforts to give

prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure.

10.3 Expenses

Subject to section 8.2(c) hereof, the Fund will be responsible for the fees, costs and expenses of the Fund and its Subsidiaries, including fees of professionals and other advisers incurred by them in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated hereby.

Subject to section 8.2(c) hereof, GENIVAR Inc. will be responsible for the fees, costs and expenses incurred by GENIVAR Inc., its Subsidiaries and GENIFINANCE, including fees of professionals and other advisers incurred by them in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated hereby. Such fees, costs and expenses to be assumed by GENIVAR Inc. shall be reflected in the Pro Forma Adjusted Net Asset Value Statement.

10.4 Assignment

Except as provided in sections 6.4 and 10.5, no party may assign its rights or benefits under this Agreement.

10.5 Successor Entity

If at any time after the date hereof and prior to the Effective Date, the Fund agrees to or plans to have the Units reclassified, reorganized or otherwise changed, otherwise than as specified in section 2.2, or the Fund agrees to or plans to consolidate, merge or amalgamate with or into another entity (the entity resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Entity**"), the holders of Common Shares shall be entitled to receive, upon the completion of the Arrangement in accordance with the terms hereof, the aggregate number of New GENIVAR Shares or the appropriate class or other securities of the Successor Entity (as the case may be) or other consideration from New GENIVAR or the Successor Entity (as the case may be) that the holders of Common Shares are entitled to receive, had such reclassification, reorganization or other change of shares, or consolidation, merger or amalgamation, occurred immediately after the Effective Date.

10.6 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by personal delivery, delivery by recognized national courier, or sent by facsimile transmission, as hereinafter provided. Any such notice or other communication sent by facsimile shall be deemed to have been received on the Business Day following the sending, or if delivered by personal deliver or courier shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. Notices and other communications shall be addressed as follows:

(a) if to GENIVAR Inc.:

1600 René-Lévesque Blvd. West
16th Floor
Montreal, Québec
H3P 1P9

Attention: Marcel Boucher
Fax: (514) 340-3619

with a copy to GENIVAR Inc.'s Counsel at:

Joli-Cœur Lacasse s.e.n.c.r.l.
1134 Grande-Allée West
Suite 600
Québec, Québec
G1S 1E5

Attention: Gilles Legris and Dominique Bigras
Fax: (418) 681-7100

(b) if to the Fund:

1600 René-Lévesque Blvd. West
16th Floor
Montreal, Québec
H3P 1P9

Attention: Chairman of the Board
Fax: (514) 340-3619

with a copy to the Special Committee at:

Attention: Pierre Simard
Fax: (514) 340-3619

with a copy to the Fund's counsel at:

Stikeman Elliot LLP
1155 René-Lévesque Blvd. West, 40th Floor
Montréal, Québec
H3B 3V2

Attention: Steeve Robitaille and Maxime Turcotte
Fax: (514) 397-3222

(c) if to the Dividend Committee:

Attention: Marcel Boucher
(514) 340-3619

with a copy to the Dividend Committee's Counsel at:

Joli-Cœur Lacasse s.e.n.c.r.l.
1134 Grande-Allée West
Suite 600
Québec, Québec
G1S 1E5

Attention: Gilles Legris and Dominique Bigras
Fax: (418) 681-7100

Notwithstanding the foregoing, any notice or other communication required or permitted to be given by any party pursuant to or in connection with any arbitration procedures contained herein or in any Schedule hereto may only be delivered by hand.

The failure to send or deliver a copy of a notice to a counsel shall not invalidate any notice given under this section.

10.7 Time of Essence.

Time is of the essence in this Agreement.

10.8 Contractual Obligations of the Fund and the Trust.

The parties hereto acknowledge that the obligations of the Fund and the Trust hereunder shall not be personally binding upon the Fund Trustees or the Trustees or any Unitholders and that any recourse against the Fund and the Trust or any Unitholders in any manner in respect of any indebtedness, obligation or liability of the Fund and the Trust arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including without limitation claims based on contract, on negligence, tortious behaviour or otherwise, shall be limited to, and satisfied only out of, the Fund and the Trust, as the case may

10.9 Further Assurances

Each of the parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

10.10 Counterparts

This Agreement may be signed in counterparts and each such counterpart shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

[Signature pages on next page]

IN WITNESS OF WHICH the parties hereto have duly executed this Agreement.

GENIVAR INCOME FUND

Per: *(signed) Daniel Fournier*
Name: Daniel Fournier
Title: Chairman

GENIVAR OPERATING TRUST

Per: *(signed) Daniel Fournier*
Name: Daniel Fournier
Title: Chairman

**GENIVAR GP INC., in its own capacity and in
its capacity as general partner of GENIVAR
LIMITED PARTNERSHIP**

Per: *(signed) Daniel Fournier*
Name: Daniel Fournier
Title: Chairman

**GENIVAR ONTARIO INC., in its own capacity
and in its capacity as general partner of
GENIVAR CONSULTANTS LIMITED**

Per: *(signed) Pierre Shoiry*
Name: Pierre Shoiry
Title: President

GENIVAR INC.

Per: *(signed) Pierre Shoiry*
Name: Pierre Shoiry
Title: President

**SCHEDULE A
DISCLOSURE LETTER**

DISCLOSURE LETTER

April 15, 2010

TO : GENIVAR INCOME FUND, GENIVAR OPERATING TRUST, GENIVAR GP INC., GENIVAR LIMITED PARTNERSHIP, GENIVAR ONTARIO INC. AND GENIVAR CONSULTANTS LIMITED PARTNERSHIP

Re: Disclosure in connection with the Arrangement Agreement among GENIVAR INCOME FUND, GENIVAR OPERATING TRUST, GENIVAR GP INC., GENIVAR LIMITED PARTNERSHIP, GENIVAR ONTARIO INC., GENIVAR CONSULTANTS LIMITED PARTNERSHIP, GENIVAR INC. AND GENIFINANCE (2006) INC. dated April 15, 2010 (the "Arrangement Agreement")

Gentlemen:

Pursuant to the Arrangement Agreement of even date, the undersigned discloses to you the information contained in the attached schedules.

The schedule number correspond to the section numbers of the Acquisition Agreement

Schedule 1.1.84	Owned Property
Schedule 1.1.86	Permitted Liens
Schedule 4.1.3	Subsidiaries of GENIVAR Inc.
Schedule 4.1.6	Capitalization of GENIVAR Inc.
Schedule 4.1.8	Capitalization of GENIFINANCE (2006) Inc.
Schedule 4.1.12	No Operations
Schedule 4.1.13	Required Authorizations, Approvals and Consents
Schedule 4.1.14	Third Party Consents
Schedule 4.1.19	Litigation and Other Proceedings
Schedule 4.1.20	Liabilities and Guarantees
Schedule 4.1.21	Indebtedness
Schedule 4.1.22	Absence of Unusual Transactions and Events
Schedule 4.1.23	Non-Arm's Length Transactions
Schedule 4.1.24	No Default Under Agreements

Schedule 4.1.25	Material Contracts
Schedule 4.1.27	Construction Activities
Schedule 4.1.28	Environmental Matters
Schedule 4.1.29	Tax Matters
Schedule 4.1.30	Insurance
Schedule 4.1.38	No Leased Property
Schedule 4.1.45	No Material Adverse Change
Schedule 4.3	No Brokers' or Finders' Fees
Schedule 5.2(i)	Permitted Liens

This Disclosure Letter and the attached schedules shall form part of the Arrangement Agreement

GENIVAR Inc.

GENIFINANCE (2006) Inc.

By: (signed) *Pierre Shoiry*
 Pierre Shoiry

By: (signed) *Pierre Shoiry*
 Pierre Shoiry

Schedule 1.1.84 Owned Property

Type of property	Professional office building
Address of property	125 Racine East, Chicoutimi, QC.
Size of lot	6 800.63 square feet
Building Size	18 236 square feet
Year Built	1906 - renovated in 1997
Legal Description	Lot 2 688 280 registration division of Chicoutimi.
Zoning	Building complies with municipal regulation "Commercial Use"

Schedule 1.1.86 Permitted Liens

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
1.	03-35140-0001	Conventional hypotheque without delivery	Banque de Montréal	Génivar Inc.	\$240,000	The universality of the Grantor's present and future claims
2.	01-0326007-0001	Conventional hypotheque without delivery	La Garantie, Compagnie d'Assurance de l'Amérique du Nord	Gespro S.S.T. Inc. Gespro S.S.T. Inc. agissant sous la dénomination sociale "Consortium Gespro- BFC-Divco" Divco Limitée agissant sous la dénomination sociale "Consortium Gespro-BFC-Divco" Divco Limited agissant sous la dénomination sociale "Consortium Gespro- BFC-Divco" Divco Limitée Divco Limited	\$200,000,000	The universality of the Grantor's claims The universality of the Grantor's rights in insurance contracts, namely in all insurance contracts relating directly or indirectly to guaranteed contracts (as such term is more fully described in the registration). All rights of the Grantor's right, title, licence, equipment, tools, materials, work in progress, patents, royalties, trade marks, softwares, computers, disks and files required for the execution of the guaranteed contracts

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
3.	07-143849-0001	Conventional Movable Hypothec without Delivery	ST.PAUL GUARANTEE INSURANCE COMPANY	GENIVAR CONSTRUCTION INC. GENIVAR CONSTRUCTION INC. acting under the business name of SOLIGER	\$80,000,000	The universality of the claims and debts which the Grantor holds against all persons, and in particular: i) all persons with whom it has entered into or will enter into Bonded Contracts; ii) all persons to whom it was granted or will grant sub-contract or a supply contract; and iii) all persons with whom it has or will enter into unbonded contracts by the Holder, the said claims including without limiting the generality hereof, all sums due in virtue of the said Bonded Contract, sub-contracts, supply contracts, unbonded contracts by the Holder, deferred and final payments, holdbacks, balances of contract funds whether earned or unearned, claims for extras and claims in damages, and b) all rights in virtue of any insurance contract, and more particularly all insurance contracts relating directly or indirectly to Bonded Contracts, c) all rights, titles, licenses, equipment, tools, materials, work in process, patents, royalties, trademarks, computer programs, computers, disks, diskettes, files and records of the Grantor and required in the Holder's opinion, for the performance of the Bonded Contracts, being: a) on the job sites of the Bonded Contracts; or b) in the possession of the Grantor or other parties engaged by the Grantor; c) at any of the Grantor's place or places of business; or d) in storage elsewhere; or in transit between the job sites of the Bonded Contracts and the Grantor's place or places of business or storage facilities. For the purposes of the present hypothec, any reference to the term Bonded Contracts means contracts in respect of which on or more Bonds have been issued.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
4.	02-0487326-0002	Conventional Movable Hypothec without Delivery	Compagnie d'assurance London Garantie	GENIVAR Construction Inc.	\$80,000,000	The universality of the Grantor's claims. The universality of the Grantor's rights in insurance contracts, namely in all insurance contracts relating directly or indirectly to guaranteed contracts (as such term is more fully in the registration); and All rights of the Grantor's right, title, licence, equipment, tools, materials, work in progress, patents, royalties, trade marks, softwares, computers, disks and files required for the execution of the guaranteed contracts.
5.	02-0524525-0003	Conventional Movable Hypothec without delivery	Banque de Montréal	Génivar Construction Inc.	\$1,500,000	The universality of the Grantor's present and future claims.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
6.	02-0487326-0001	Conventional hypothecc without delivery	Compagnie d'Assurance London Garantie	Génivar Inc.	\$80,000,000	The universality of the Grantor's claims. The universality of the Grantor's rights in insurance contracts, namely in all insurance contracts relating directly or indirectly to guaranteed contracts (as such term is more fully in the registration); and All rights of the Grantor's right, title, licence, equipment, tools, materials, work in progress, patents, royalties, trade marks, softwares, computers, disks and files required for the execution of the guaranteed contracts.
7.	02-0487326-0003	Conventional hypothecc without delivery	Compagnie d'Assurance London Garantie	Gespro S.S.T. Inc.	\$80,000,000	The universality of the Grantor's claims. The universality of the Grantor's rights in insurance contracts, namely in all insurance contracts relating directly or indirectly to guaranteed contracts (as such term is more fully in the registration); and All rights of the Grantor's right, title, licence, equipment, tools, materials, work in progress, patents, royalties, trade marks, softwares, computers, disks and files required for the execution of the guaranteed contracts.

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
8.	02-0524525-0001	Conventional hypothec without delivery	Banque de Montréal	Former name: Gespro S.S.T. New Name: Genivar GPM Inc.	\$10,550,000 (plus additional hypothec of 20%)	The universality of the Grantor's present and future claims.
9.	02-0524525-0004	Conventional hypothec without delivery	Banque de Montréal	Former name: Groupe Conseil Génivar Inc. New Name: Genivar Groupe Conseil Inc. / Genivar Consulting Group Inc.	\$10,550,000 (plus an additional hypothec of 20%)	The universality of the Grantor's present and future claims.
10.	02-0524525-0005	Conventional hypothec without delivery	Banque de Montréal	Génivar Inc.	\$10,550,000 (plus an additional hypothec of 20%)	The universality of the Grantor's present and future claims.
11.	05-0386440-0008	Rights resulting from a lease	Xerox Canada Ltd.	Groupe Conseil Genivar Inc.	N/A	Equipment. Other. All present and future office equipment and software supplied or financed from time to time by the Lessor (whether by lease, conditional sale or otherwise) whether or not manufactured by the Lessor or any affiliate thereof

	Registration Number Registration Date Expiration Date	Nature	Holder	Grantor	Amount	Description of Property (Summary)
12.	06-0294812-0001	Assignment of universality of claims	Genivar Limited Partnership	Genivar Inc.,	N/A	The universality of the Assignor's claims related to the Genivar Engineering Services Business, excluding the General Contracting Business, as such terms are more fully described in the registration.
13.	09-0329566-0049	Rights resulting from a lease and assignment of rights	Boulevard Toyota Assignee: Toyota Credit Canada Inc.	Genivar Inc.	N/A	The vehicle more fully described in the registration.
14.	10-0195052-0001	Conventional Movable Hypothec without Delivery	La Compagnie Travelers Garantie du Canada	Genivar Construction Inc.	\$5,000,000	The universality of the Grantor's claims. The universality of the Grantor's rights in insurance contracts, namely in all insurance contracts relating directly or indirectly to guaranteed contracts (as such term is more fully in the registration); and All rights of the Grantor's right, title, licence, equipment, tools, materials, work in progress, patents, royalties, trade marks, softwares, computers, disks and files required for the execution of the guaranteed contracts.

Schedule 4.1.3 Subsidiaries of GENIVAR Inc.

These entities are all of the direct wholly-owned subsidiaries of GENIVAR Inc., except for GENIVAR Construction Ltd., which is a wholly owned subsidiary of GENIVAR Construction Inc.

Active

GENIVAR Construction inc
GENIVAR Construction Ltd (GENIVAR Construction inc's subsidiary)
4432011 Canada inc.
4446364 Canada inc.
72477923 Canada inc.
9050-7419 Quebec inc.

Inactive

National Capital Engineering Limited 9142-1362 Québec inc.	DDH Environnement Ltée 3119106 Canada inc.
Phoenix Engineering Bullock Baur Associates Ltd	Pomeroy Consulting Engineers Ltd Encor Management Ltd
Impala Investments Ltd Lausturdy productions Ltd	ENTRA CONSULTANTS INC. WSA TRENCHLESS CONSULTANTS INC
PAC ENG Consultants Ltd Peterson Galloway Ltd	Envirotel 3000 inc Wiebe Environmental services
On-Line Structural Engineering Ltd Peterson Engineering Ltd	Algal & Associates Energie et Analyses ENAQ
Solmers Inc. 4475682 Canada Inc	Jagger Hims Limited Consulting Engineers D. Mohr Holdings Limited
ZENIX Engineering Ltd 6894411 Canada Inc	Balsdon Holdings Limited 3754804 Canada inc
Henderson Paddon & Associates limited Oweson Ltd	W.R. Walker Engineering inc Magnate Engineering & Associates inc
CONSUMAJ ESTRIE inc. Les Consultants GENIPLUS inc	2117007 Ontario inc. 2117008 Ontario inc.
9096-6169 Québec inc 9096-6193 Québec inc	3477592 Canada inc (Progemex) 9101-9810 Québec inc
9121-3686 Québec inc 9121-3736 Québec inc	9101-9893 Québec inc. Gilles Taché & associés inc.
NAGECO inc Pierre Nadon & Associés inc	Harp Engineering and design inc. V.B.Cook Limited Thompson Rosemount Group

Schedule 4.1.6 Capitalization of GENIVAR Inc.

Class of Common shares	Number of shares	Class of common shares	Number of shares
A	4 452 653	EE	45 740
B	57 145	FF	155 836
C	319 702	GG	92 568
E	129 800	HH	18 000
F	195 844	II	79 000
G	453 018	JJ	78 610
I	20 000	KK	22 500
J	9 000	LL	2 000
K	26 000	A serie 1	117 875
L	26 500	B serie 1	16 500
M	29 558	C serie 1	10 857
N	24 342	D serie 1	5 000
P	33 750	F serie 1	12 393
Q	42 700	G serie 1	4 927
R	4 200	H serie 1	45 544
S	26 932	I serie 1	4 250
T	50 000	J serie 1	5 000
U	8 536	K serie 1	68 335
W	10 000	L serie 1	9 230
X	26 500	M serie 1	38 724
Y	23 697	N serie 1	23 000
Z	76 886	O serie 1	6 652
AA	29 500	P serie 1	64 000
BB	36 682	Q serie 1	2 000
CC	12 612	R serie 1	25 000
DD	17 000	S serie 1	44 000
		TOTAL	7 140 098

Class of Preferred Shares	Number of shares
D	88 743.04
G	1500
I	778 029
J	36 000
K serie 4	100 000
K serie 6	261 663
K serie 7	688 296
TOTAL	1 954 231.04

Schedule 4.1.8 Capitalization of GENIFINANCE (2006) Inc.

Class of common Shares	Number of shares
A	7 140 098

Schedule 4.1.11 No Operations

Since May 26, 2006, GENIVAR Inc. did not carry on any business, activities or projects. GENIVAR Inc. was a holding corporation with an interest in the subsidiaries identified in Schedule 4.1.3 hereof.

Since the date of its incorporation, GENIFINANCE (2006) Inc. did not carry on any business, activities or project other than purchasing shares of departing shareholders of GENIVAR Inc.

GENIVAR Construction Inc. did not render any services following the sale of its general contracting business in July of 2007.

In July 2007, GENIVAR Construction Ltd (GENIVAR Construction Inc.'s subsidiary) decided to exit the General Contracting Business. Consequently, there was a progressive diminution of the transactions with construction companies controlled by GENIVAR Inc. As of the date hereof, GENIVAR Construction Ltd. has completed all of its projects related to the General Contracting Business and does not carry on any business or activities.

4432011 Canada inc. and 4446364 Canada inc. are holding corporations which hold units of the Fund.

7247923 Canada inc. is a subsidiary of GENIVAR Inc. which was created to hold a limited partnership interest in "Windmill LP", a limited partnership to be formed under the laws of the Province of Ontario pursuant to the Windmill Limited Partnership Agreement, the purpose of which is to acquire the Ottawa Property (as such term is defined in the Arrangement Agreement) and developing such property in phases with the first phase consisting of the construction of a commercial office building containing approximately 80,000 square foot commercial office space;

9050-7419 Quebec inc. is a subsidiary of GENIVAR Inc. which owns the Owned Property (as such term is defined in the Arrangement Agreement), which property is currently rented by GENIVAR Limited Partnership.

The Inactive Subsidiaries identified in Schedule 4.1.3 hereof were carrying on engineering business services, all of which have been acquired by the Fund.

Following the acquisition of the Inactive Subsidiaries by GENIVAR Inc., all of the assets and liabilities (contingent or otherwise) of such Inactive Subsidiaries have been transferred to the Fund and its subsidiaries. Following such transfer, the Inactive Subsidiaries have been liquidated into GENIVAR Inc.

**Schedule 4.1.13 Required Authorizations,
Approvals and Consents**

None

Schedule 4.1.14 Third Party Consents

None

Schedule 4.1.19 Litigation and Other Proceedings

CAMMAC c. GENIVAR Construction Inc. et al.

Cour supérieure

District de Québec

200-17-009951-088

C.E.C. Mechanical Limited vs. GENIVAR Construction Ltd. Et al.

Superior Court of Ontario

District of Toronto

CV-08-091425-00

Durabond Products Limited vs. GENIVAR Construction Ltd. and INA Grafton Gage Home of Toronto

Superior Court of Justice

District of Toronto

CV 09 385983

GENIVAR Construction Inc. c. L'Union des producteurs agricoles

Cour supérieure

District de Montréal

500-17-032866-066

KHM Inc. vs. INA Grafton Gage Home of Toronto, GENIVAR Construction Ltd., Murray & Company Holdings Limited and The United Church of Canada

Superior Court of Ontario

District of Toronto

CV 09 386796

SIMS Moelich Associates Ltd. vs. GENIVAR Construction Ltd., INA Grafton Gage Home of Toronto, Murray & Company Holdings Limited and The United Church of Canada

Superior Court of Ontario

District of Toronto

CV 09 386672

Société immobilière Camont Inc. c. GENIVAR Inc. et al.

Cour supérieure

District de Montréal

500-17-056272-100

Sylvie Couet et al. c. Palais des congrès de Montréal c. Consortium Gespro-BFC -DIVCO et al.

Cour supérieure

District de Montréal

500-17-0457570-088

Viscon Construction Corporation vs. GENIVAR Construction Ltd., INA Grafton Gage Home of Toronto, Murray & Company Holdings Limited and The United Church of Canada

Superior Court of Ontario

District of Toronto

CV 09 386228

Ayrfield Holdings Limited et al. vs. GENIVAR Construction Ltd. et al.

Superior Court of Ontario

District of Toronto

CV 0900388304

Carlos Electric Limited. vs. GENIVAR Construction Ltd. et al.

Superior Court of Ontario

District of Toronto

CV 0900385836

GENIVAR Construction Ltd. vs. INA Grafton Gage Home of Toronto et al.

Superior Court of Ontario

District of Toronto

CV 0900386670

GENIVAR Construction Ltd. vs. Mik Wall Systems et al.

Superior Court of Ontario

District of Toronto

CV 0900387054

GENIVAR was involved in a dispute with one of its shareholder which dispute has been settled. Release documents are in the process of being drafted and signed. Taking into account the terms of the agreement, we foresee no issues with the conclusion of this matter.

Schedule 4.1.20 Liabilities and Guarantees

	Bond Number	Date
Beneficiary Description CAMMAC Camp musical au Lac MacDonald Demolition and reconstruction of a music pavilion situated at 85 Cammac Rd.	95009825	9/1/2005
Beneficiary Description HYDROMÉGA G.P. INC. MAGPIE LIMITED Construction of a hydro-electrical plant on the Magpie river	50010584	7/5/2006
Beneficiary Description HEROUX DEVTECH (HD) Reorganization of a production plant	95010879	7/17/2006
Beneficiary Description INA GRAFTON GAGE HOME Construction of the new 128 beds long term care facility in Toronto Ontario	95012288	2/16/2007
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (Durabond)	95012288	3/27/2009
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (Voisin)	95012288	3/27/2009
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (Mik)	95012288	5/6/2009
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (Mouldex)	95012288	7/3/2009

	Bond Number	Date
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (SMA)	95012288	4/13/2010
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (KHM Inc.)	95012288	4/13/2010
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (Saverino General Contractor)	95012288	4/13/2010
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (Durabond Products Limited)	95012288	4/13/2010
Beneficiary Description ACC. OF THE ONTARIO SUP. COURT OF JUSTICE Construction of the new 128 beds long term care facility in Toronto Ontario - Lien Bond (Viscon)	95012288	4/13/2010

For each of the bonds listed above, the premium amounts, bond values and amount of the contracts have been omitted.

Schedule 4.1.21 Indebtedness

None of the entities identified in sub-section 4.1.21 of the Arrangement has any outstanding bonds, debentures, notes, mortgages, interest bearing debt or other indebtedness, and none of has agreed to create or issue any such bonds, debentures, notes, mortgages or other indebtedness except in the ordinary course of business which includes *inter alia*, indebtedness incurred in relation to the purchase by GENIFINANCE (2006) Inc. of shares of GENIVAR Inc. owned by departing shareholders, the whole in accordance with the Shareholders' Agreement and inter-company loans.

**Schedule 4.1.22 Absence of Unusual Transactions
and Events**

None

Schedule 4.1.23 Non-Arm's Length Transactions

GENIFINANCE (2006) Inc. currently owes amount representing balances of purchase price to previous shareholders of GENIVAR Inc. which have sold their shares.

GENIFINANCE (2006) Inc. made loans to 3 employees of the Fund, which loans have an off-set right against all amounts due to such shareholders by GENIVAR Inc. or GENIFINANCE (2006) Inc.

GENIVAR Inc. has made a loan to one employee of the Fund which has been evidenced by a promissory note. GENIVAR Inc. entered into a Pledge Agreement with said employee to secure the payment of the promissory note. The promissory note provides for an off-set right against all amounts due to said shareholder by GENIVAR Inc.

GENIVAR Inc. issued to the Bank of Montreal comfort letters with respect to loans made by the Bank of Montreal to certain shareholders' of GENIVAR Inc. The form of Letter is attached hereto.

GENIVAR Inc. guaranteed the loans made by the Bank of Montreal to 8 of its shareholders, for an aggregate amount of \$273,490. Said shareholders have granted a moveable hypothec on their shares in favour of GENIVAR Inc. except for one shareholder whose loan was in the amount of \$16,750.

Montreal, [Date]

The Manager
BMO - Bank of Montreal
Business Development Group
Quebec Division
630, René-Lévesque Blvd. West
Promenade Level
Montreal, Quebec H3B 1S6

RE: GENIVAR Inc. Shareholder Financing Plan

Sir:

We understand that you are granting a loan in the amount of _____ (\$ _____) to Mr. _____, of [city], in order that he may have sufficient capital to purchase shares in our company.

In consideration of this loan, if either Mr. _____ or the Bank of Montreal requests the buy back of all or part of Mr. _____'s shares in GENIVAR Inc. at any time while any amount of your loan remains outstanding, we agree to issue the cheque for the proceeds jointly to Mr. _____ and Bank of Montreal.

Our undertaking will remain in force until the Associate's loan is repaid in full unless you advise us in writing that you wish to terminate the agreement before.

We remain,

Yours truly,

GENIVAR inc.

GENIFINANCE inc.

Schedule 4.1.24 No Default Under Agreements

There is no default under agreements.

Schedule 4.1.25 Material Contracts

Loans to Shareholders (see Schedule 4.1.23)

Guarantees issued to the BMO (see Schedule 4.1.23)

Schedule 4.1.27 Construction Activities

GENIVAR Inc. was party in two contracts involving engineering and contracting services, which agreements were signed prior to May 25, 2006. The first contract related to the "Stationnement de la Place du Palais" with SITQ Placements Inc. The second one was for the "Chutes Bell" project for which GENIVAR Inc. has received full and final release.

Schedule 4.1.28 Environmental Matters

Nothing to disclose except for the presence of an underground fuel tank which appeared on a fire-insurance plan in 1922 but did not appear on the fire insurance plan of 1953, the whole as disclosed in the Phase 1 Environmental Report issued on March 18, 2010 by Inspec Sol Inc. which report has been made available to the Fund.

Schedule 4.1.29 Tax Matters

Nothing to disclose.

Schedule 4.1.30 Insurance

1. Life Insurances in favour of GENIVAR inc.

- a. Pierre Shoiry 2,250,000\$
- b. Éric Tremblay 1,500,000\$
- c. Ali Ettehadieh 1,500,000\$

2. Commercial General Liability

- Limits of Liability : 1,000,000\$
- General Aggregate : 2,000,000\$

3. Umbrella Legal Liability

- Limits of Liability : 10,000,000\$
- General Aggregate : 10,000,000\$

4. Directors & Officers

- Limits of Liability : 1,000,000\$

5. Property Insurance (Chicoutimi Office)

- a. Property Coverage

Limits of Liability : 3,700,000\$

- b. Commercial General Liability

Limits of Liability : 1,000,000\$

General Aggregate : 2,000,000\$

- c. Umbrella Legal Liability

Limits of Liability : 4,000,000\$

General Aggregate : 4,000,000\$

Schedule 4.1.38 No Leased Property

9050-7419 Québec Inc. is the lessor of the Owned Property.

Schedule 4.1.45 No Material Adverse Change

None

Schedule 4.3 No Brokers' or Finders' Fees

None

Schedule 5.2(i) Permitted Liens

All permitted liens listed on Schedul 1.1.86.

SCHEDULE B
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, the following terms have the following meanings:

- (a) "**9050-7419**" means 9050-7419 Québec Inc., a corporation constituted under the laws of the Province of Québec;
- (b) "**9050-7419 Shares**" means the class "A" to class "D" common shares in the share capital of 9050-7419;
- (c) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to Section 192 of the CBCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (d) "**Arrangement Agreement**" means the arrangement agreement dated as of April 15, 2010, among the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario, GENIVAR Inc. and GENIFINANCE with respect to the Arrangement and all amendments thereto;
- (e) "**Articles of Arrangement**" means the articles in respect of the Arrangement required under subsection 192(6) of the CBCA to be filed with the Director after the Final Order has been granted;
- (f) "**Book Entry System**" has the meaning ascribed to it in Section 5.5;
- (g) "**Business Day**" means any day, other than Saturday, Sunday or any statutory holiday, where banks are generally open in the City of Montreal, in the Province of Québec, for the transaction of banking business;
- (h) "**Cash Consideration**" means \$0.0001 in cash per GENIFINANCE Share;
- (i) "**CBCA**" means the *Canada Business Corporations Act* and the regulations thereto, as now in effect;
- (j) "**CDS**" means CDS Clearing and Depository Services Inc.;
- (k) "**CDS Participant**" has the meaning ascribed to it in Section 5.5;
- (l) "**Certificate**" means the certificate to be issued by the Director pursuant to subsection 192(7) of the CBCA giving effect to the Arrangement;

- (m) "**Common Shares**" means the class "A" to class "LL" common shares (including the series 1 common shares) in the share capital of GENIVAR Inc.;
- (n) "**Court**" means the Superior Court of Québec;
- (o) "**Depository**" means CIBC Mellon Trust Company;
- (p) "**Director**" means the director appointed under Section 260 of the CBCA;
- (q) "**Dissenting GENIFINANCE Shareholders**" means registered holders of GENIFINANCE Shares who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Plan of Arrangement and the Interim Order and whose dissent rights remain valid immediately before the Effective Time;
- (r) "**Dissenting Shareholders**" means registered holders of Common Shares who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Plan of Arrangement and the Interim Order and whose dissent rights remain valid immediately before the Effective Time;
- (s) "**Dissenting Unitholders**" means registered holders of Units who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Plan of Arrangement and the Interim Order and whose dissent rights remain valid immediately before the Effective Time;
- (t) "**Dividend Promissory Notes**" means the interest bearing promissory notes issued in payment of the dividend declared pursuant to Section 3.1(a), in the aggregate amount of \$3,000,000, which shall be paid in accordance with Article 7 of the Arrangement Agreement and which shall bear interest at an annual rate equal to the average of the prime rate of the Bank of Montreal during the term that the interest is payable;
- (u) "**Effective Date**" means January 1, 2011;
- (v) "**Effective Time**" means 12:01 a.m. (Montreal time) on the Effective Date;
- (w) "**Exchangeable LP Units**" means collectively the class B units and the class C units of GENIVAR LP;
- (x) "**Final Order**" means the final order of the Court approving this Arrangement as such order may be amended or varied at any time prior to the Effective Time or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (y) "**Fund**" means GENIVAR Income Fund, a trust established under the laws of the Province of Québec on March 31, 2006 pursuant to the Fund Declaration of Trust;

- (z) "**Fund Declaration of Trust**" means the declaration of trust dated March 31, 2006, as amended by an amended and restated declaration of trust dated May 16, 2006, pursuant to which the Fund was created, as further amended, supplemented or restated from time to time;
- (aa) "**GENIFINANCE**" means GENIFINANCE (2006) Inc., a corporation incorporated under the CBCA;
- (bb) "**GENIFINANCE Shareholders**" means the holders from time to time of GENIFINANCE Shares;
- (cc) "**GENIFINANCE Shares**" means the class "A" to class "C" common shares in the share capital of GENIFINANCE;
- (dd) "**GENIVAR Consultants LP**" means GENIVAR Consultants Limited Partnership, a limited partnership formed under the laws of the Province of Québec pursuant to the GENIVAR Consultants LP Agreement;
- (ee) "**GENIVAR Consultants LP Agreement**" means the limited partnership agreement of GENIVAR Consultants LP made as of December 13, 2006 between GENIVAR Ontario, as general partner and GENIVAR LP, as limited partner, as the same may be amended, supplemented or restated from time to time;
- (ff) "**GENIVAR GP**" means GENIVAR GP Inc., a corporation incorporated under the CBCA, acting as general partner of GENIVAR LP;
- (gg) "**GENIVAR Inc.**" means GENIVAR Inc., a corporation incorporated under the CBCA;
- (hh) "**GENIVAR LP**" means GENIVAR Limited Partnership, a limited partnership formed under the laws of the Province of Québec pursuant to the GENIVAR LP Agreement;
- (ii) "**GENIVAR LP Agreement**" means the limited partnership agreement of GENIVAR LP made as of March 31, 2006 between GENIVAR Inc., as initial special partner, and GENIVAR GP, as amended and restated on May 16, 2006, as the same may be amended, supplemented or restated from time to time;
- (jj) "**GENIVAR Ontario**" means GENIVAR Ontario Inc., a corporation incorporated under the laws of the Province of Ontario;
- (kk) "**GENIVAR Ontario Shares**" means the class "A" common shares, the class "C" common shares and the special shares in the share capital of GENIVAR Ontario;
- (ll) "**Interim Order**" means the interim order of the Court concerning the Arrangement containing declarations and directions with respect to the Arrangement and the holding of the Meetings, as such order may be amended by

the Court with the consent of the parties to the Arrangement Agreement, acting reasonably;

- (mm) "**Letter of Transmittal**" means the letter of transmittal to be sent by GENIVAR Inc. and GENIFINANCE to the Shareholders and the GENIFINANCE Shareholders in connection with the Arrangement;
- (nn) "**Meetings**" means collectively the Unitholders Meeting and the Shareholders Meeting;
- (oo) "**New GENIVAR**" means the corporation to be named "**GENIVAR INC.**" that will result from the amalgamation of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario on the Effective Date;
- (pp) "**New Common Shares**" means the common shares in the share capital of GENIVAR Inc., which common shares will be issued to Unitholders in consideration for the transfer of their Units and to Shareholders in consideration for the exchange of their Common Shares, as applicable, to GENIVAR Inc. pursuant to the Arrangement;
- (qq) "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (rr) "**Plan of Arrangement**" means this plan of arrangement involving the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario, GENIVAR Inc., GENIFINANCE, the Unitholders, the Special Voting Unitholders, the Shareholders, the Preferred Shareholders and the GENIFINANCE Shareholders and any amendment or variation made in accordance with Section 6.1 or made at the direction of the Court in the Final Order;
- (ss) "**Preferred Shares**" means class "D" preferred shares in the share capital of GENIVAR Inc.;
- (tt) "**Preferred Shareholders**" means the holders from time to time of Preferred Shares;
- (uu) "**Series 1 Promissory Notes**" means the interest bearing promissory notes issued in payment of the dividend declared pursuant to Section 3.1(a), in an aggregate amount of \$12,000,000, which shall bear interest at an annual rate equal to the average of the prime rate of the Bank of Montreal during the term that the interest is payable and which shall be payable no later than ninety (90) days following their issuance;

- (vv) "**Share Conversion Ratio**" means 0.8929, as may be adjusted pursuant to Section 2.2 of the Arrangement Agreement;
- (ww) "**Shareholders**" means the holders from time to time of Common Shares;
- (xx) "**Shareholders Meeting**" means the joint annual and special meeting of Shareholders and GENIFINANCE Shareholders to be held, among other things, to consider the Arrangement and related matters, and any adjournment or postponement thereof;
- (yy) "**Special Voting Units**" means the units of the Fund issued to represent voting rights in the Fund that accompany the Exchangeable LP Units;
- (zz) "**Special Voting Unitholders**" means the holders from time to time of Special Voting Units;
- (aaa) "**Subsidiary**" means, with respect to any Person, a subsidiary (as that term is defined in the CBCA (for such purposes, if such person is not a corporation, as if such person were a corporation)) of such Person and includes any limited partnership, joint venture, trust, limited liability company, unlimited liability company or other entity, whether or not having legal status, that would constitute a subsidiary (as described above) if such entity were a corporation;
- (bbb) "**Transfer Notice**" means a notice in writing to be provided by GENIVAR GP to GENIVAR Inc. at least three (3) Business Days prior to the Effective Date specifying the fair market value of the undivided interest of GENIVAR GP in the GENIVAR Ontario Shares;
- (ccc) "**Trust**" means GENIVAR Operating Trust, an unincorporated, open-ended limited purpose trust established under the laws of the Province of Québec on March 31, 2006 pursuant to the Trust Declaration of Trust;
- (ddd) "**Trust Declaration of Trust**" means the declaration of trust of the Trust dated March 31, 2006 pursuant to which the Trust was established, as may be amended, supplemented or restated from time to time;
- (eee) "**Units**" means the units of the Fund other than Special Voting Units;
- (fff) "**Unitholders**" means holders from time to time of Units; and
- (ggg) "**Unitholders Meeting**" means the annual and special meeting of Unitholders to be held, among other things, to consider the Arrangement and related matters, and any adjournment or postponement thereof.

1.2 Headings

The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Interpretation

- (a) Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- (b) Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.4 Calculation of Days

- (a) Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following, if the last day of the period is not a Business Day.
- (b) In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place, except that the Effective Date can fall on a date that is not a Business Day.

1.5 Statutory References

References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of, the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, shall become effective on, and be binding on and after, the Effective Time on: (i) the Unitholders, (ii) the Special Voting Unitholders, (iii) the Shareholders, (iv) the Preferred Shareholders, (v) the GENIFINANCE Shareholders, (vi) the Fund, (vii) the Trust, (viii) GENIVAR GP, (ix) GENIVAR LP, (x) GENIVAR Consultants LP, (xi) GENIVAR Ontario, (xii) GENIVAR Inc. and (xiii) GENIFINANCE.

2.3 Certificate

The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

2.4 Effective Time

Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time. Furthermore, each of the events listed in Article 3 shall be, without affecting the timing set out in Article 3, mutually conditional, such that no event described in said Article 3 may occur without all steps occurring, and those events shall effect the integrated transaction which constitutes the Arrangement.

ARTICLE 3 ARRANGEMENT

3.1 Pre-Arrangement Steps

The step set out below shall be completed on the date immediately before the Effective Date:

Declaration of Dividend

- (a) GENIVAR Inc. shall declare a dividend in the aggregate amount of \$15,000,000 to holders of Common Shares of record on December 31, 2010, which dividend shall be payable by the issuance, on a *pro rata* basis, of (i) the Series 1 Promissory Notes and (ii) Dividend Promissory Notes;

3.2 Arrangement Steps

Except for the steps 3.2(m) and 3.2(n) which shall not form part of the Arrangement and are provided herein for reference purposes only, commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order, each occurring thirty (30) minutes apart, without any further act or formality except as otherwise provided herein:

Amendment to Fund Declaration of Trust and Other Constating Documents

- (a) the Fund Declaration of Trust, the Trust Declaration of Trust, the GENIVAR LP Agreement and the GENIVAR Consultants LP Agreement shall be amended to the extent necessary to facilitate the Arrangement as provided herein;

Dissenting Unitholders

- (b) the Units held by the Dissenting Unitholders shall be deemed to have been transferred to the Fund (free of any claims) and cancelled. Such Dissenting

Unitholders shall cease to have any rights as Unitholders, other than the right to be paid the fair value of their Units in accordance with Article 4;

Dissenting Shareholders

- (c) the Common Shares held by Dissenting Shareholders shall be deemed to have been transferred to GENIVAR Inc. (free of any claims) and cancelled. Such Dissenting Shareholders shall cease to have any rights as Shareholders, other than the right to be paid the fair value of their Common Shares, in accordance with Article 4;

Dissenting GENIFINANCE Shareholders

- (d) the GENIFINANCE Shares held by Dissenting GENIFINANCE Shareholders shall be deemed to have been transferred to GENIFINANCE (free of any claims) and cancelled. Such Dissenting GENIFINANCE Shareholders shall cease to have any rights as GENIFINANCE Shareholders, other than the right to be paid the fair value of their GENIFINANCE Shares, in accordance with Article 4;

Consolidation or Split of Common Shares

- (e) All of the issued and outstanding Common Shares of GENIVAR Inc. shall be split or consolidated, as applicable, such that after such split or consolidation, the number of issued and outstanding Common Shares shall be equal to 9,060,387;

Transfer of GENIFINANCE Shares

- (f) the GENIFINANCE Shareholders (other than the Dissenting GENIFINANCE Shareholders) shall transfer their GENIFINANCE Shares to GENIVAR Inc. in consideration for a cash payment equal to the Cash Consideration;

Reduction of Stated Capital of GENIFINANCE

- (g) GENIFINANCE shall reduce its stated capital in respect of the GENIFINANCE Shares to one hundred (100) dollars, without any payment or distributions thereon;

Winding-Up of GENIFINANCE

- (h) All of the assets of GENIFINANCE shall be transferred to GENIVAR Inc. and GENIVAR Inc. shall assume the liabilities of GENIFINANCE;

Creation of New Common Shares

- (i) The existing share capital of GENIVAR Inc. shall be amended to create the New Common Shares, the rights, privileges, conditions and restrictions of which are set out in Schedule A attached hereto;

Exchange of Common Shares for New Common Shares

- (j) Each Shareholder (other than the Dissenting Shareholders) shall exchange each of its Common Shares for New Common Shares, based on the Share Conversion Ratio;

Reorganization of Share Capital of GENIVAR Inc.

- (k) The articles of GENIVAR Inc. shall be amended to change the authorized capital of GENIVAR Inc., such that GENIVAR Inc. has a single class of authorized shares, being the New Common Shares;

Exchange of Units for New Common Shares

- (l) the Units held by the Unitholders (other than the Dissenting Unitholders) shall be transferred to GENIVAR Inc. in consideration for New Common Shares on the basis of one New Common Share for each Unit so transferred;

Reduction of Stated Capital of 9050-7419

- (m) 9050-7419 shall reduce, in accordance with applicable law, its stated capital in respect of the 9050-7419 Shares to a nominal amount of one hundred (100) dollars, without any payment or distributions thereon;

Winding-Up of 9050-7419

- (n) All of the assets of 9050-7419 shall be transferred to GENIVAR Inc. and GENIVAR Inc. shall assume the liabilities of 9050-7419, in accordance with applicable law;

Winding-Up and Dissolution of the Trust

- (o) the Trust shall be liquidated and dissolved in accordance with the Trust Declaration of Trust (as a result of which the Trust shall cease to exist) and all of the assets and liabilities of the Trust shall be distributed to and assumed by the Fund;

Winding-Up and Dissolution of the Fund

- (p) the Fund shall be liquidated and dissolved in accordance with the Fund Declaration of Trust (as a result of which the Fund shall cease to exist), and all of the assets and liabilities of the Fund shall be distributed to and assumed by GENIVAR Inc., including, without limitation, all liabilities in respect of any declared but unpaid distributions payable by the Fund;

Winding-Up and Dissolution of GENIVAR LP

- (q) GENIVAR LP shall be liquidated and dissolved in accordance with the GENIVAR LP Agreement (as a result of which GENIVAR LP shall cease to exist), and all of the assets and liabilities of GENIVAR LP shall be distributed to and assumed by GENIVAR Inc. and GENIVAR GP so that each of GENIVAR Inc. and

GENIVAR GP shall have an undivided interest in the assets and liabilities equal to their respective interests in GENIVAR LP;

Winding-Up and Dissolution of GENIVAR Consultants LP

- (r) GENIVAR Consultants LP shall be liquidated and dissolved in accordance with the GENIVAR Consultants LP Agreement (as a result of which GENIVAR Consultants LP shall cease to exist), and all of the assets and liabilities of GENIVAR Consultants LP shall be distributed to and assumed by GENIVAR Inc., GENIVAR GP and GENIVAR Ontario so that each of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario shall have an undivided interest in the assets and liabilities equal to their respective interests in GENIVAR Consultants LP;

Transfer of GENIVAR Ontario Shares

- (s) GENIVAR GP shall transfer its undivided interest in the GENIVAR Ontario Shares to GENIVAR Inc. in consideration for a non-interest bearing promissory note having a principal amount to be set out in the Transfer Notice;

Amalgamation of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario

- (t) GENIVAR Inc., GENIVAR GP and GENIVAR Ontario shall amalgamate to continue as New GENIVAR:
 - (i) the name of New GENIVAR shall be GENIVAR Inc.;
 - (ii) the head office of New GENIVAR shall be situated in the province of Québec and the address of its head office shall be 1600 René-Lévesque Blvd. West, 16th floor, Montreal, Québec, H3H 1P9;
 - (iii) the auditors of New GENIVAR shall be the auditors of the Fund immediately prior to the Effective Time;
 - (iv) New GENIVAR shall be authorized to issue an unlimited number of New Common Shares, having the rights, privileges, conditions and restrictions set out in Schedule A;
 - (v) there shall be no restrictions on the activities that New GENIVAR is authorized to carry on, nor any restrictions on the transfer of the New Common Shares;
 - (vi) the board of directors of New GENIVAR will consist of not less than three (3) and not more than ten (10) directors, the exact number of which shall be determined by the directors from time to time;
 - (vii) the first directors of New GENIVAR who shall hold office until the next annual meeting of shareholders of New GENIVAR until their successors

are elected or appointed, shall be the directors of GENIVAR GP immediately prior to the Effective Time;

- (viii) the by-laws of New GENIVAR shall be the by-laws of GENIVAR Ontario; and
- (ix) all of the rights, properties and liabilities of GENIVAR Inc., GENIVAR GP and GENIVAR Ontario shall become the rights, properties and liabilities of New GENIVAR (including all rights with respect to any share purchase agreement and non-competition and non-solicitation covenant with any present or former Shareholder).

3.3 Exchange of GENIFINANCE Shares for Common Shares

Upon the transfer of GENIFINANCE Shares for the Cash Consideration pursuant to Section 3.2(f),

- (a) each former holder of GENIFINANCE Shares shall cease to be the holder of the GENIFINANCE Shares so exchanged and the name of each such holder shall be removed from the register of holders of GENIFINANCE Shares; and
- (b) GENIVAR Inc. shall become the holder of the GENIFINANCE Shares so exchanged and shall be added to the register of holders of GENIFINANCE Shares in respect thereof.

3.4 Exchange of Common Shares for New Common Shares

Upon the exchange of Common Shares for New Common Shares pursuant to Section 3.2(j),

- (a) each former holder of Common Shares shall cease to be the holder of the Common Shares so exchanged and the name of each such holder shall be removed from the register of holders of Common Shares; and
- (b) each such holder of Common Shares shall become the holder of the New Common Shares exchanged for the Common Shares held by such holder.

3.5 Exchange of Units for New Common Shares

Upon the exchange of Units for New Common Shares pursuant to Section 3.2(l),

- (a) each former holder of Units shall cease to be the holder of the Units so exchanged and the name of each such holder shall be removed from the register of holders of Units;
- (b) each such holder of Units shall become the holder of the New Common Shares exchanged for the Units held by such holder and shall be added to the register of holders of New Common Shares in respect thereof; and

- (c) GENIVAR Inc. shall become the holder of the Units so exchanged.

ARTICLE 4 DISSENTING UNITHOLDERS

4.1 Dissenting Unitholders

Each registered Unitholder shall have the right to dissent with respect to the Arrangement, as provided for in Section 190 of the CBCA as though its Units were shares of a corporation governed by the CBCA, but as modified by the terms of this Plan of Arrangement and the Interim Order. A Dissenting Unitholder shall, at the Effective Time, cease to have any rights as a Unitholder and shall only be entitled to be paid the fair value of the Units by the Fund. A Dissenting Unitholder who is paid the fair value for its Units shall be deemed to have transferred its Units to the Fund at the Effective Time for cancellation, notwithstanding the provisions of Section 190 of the CBCA. A Dissenting Unitholder who, for any reason is not entitled to be paid the fair value for its Units, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Units notwithstanding the provisions of Section 190 of the CBCA. The fair value of the Units shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the Unitholders at the Unitholders Meeting; but in no event shall the Fund be required to recognize such Dissenting Unitholder as a Unitholder after the Effective Time and the name of such holder shall be removed from the applicable register as at the Effective Time. For greater certainty, in addition to any other restrictions in Section 190 of the CBCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

4.2 Dissenting Shareholders

Each registered Shareholder shall have the right to dissent with respect to the Arrangement, as provided for in Section 190 of the CBCA, but as modified by the terms of this Plan of Arrangement and the Interim Order. A Dissenting Shareholder shall, at the Effective Time, cease to have any rights as a Shareholder and shall only be entitled to be paid the fair value of the Common Shares by GENIVAR Inc. A Dissenting Shareholder who is paid the fair value for its Common Shares shall be deemed to have transferred its Common Shares to GENIVAR Inc. at the Effective Time for cancellation, notwithstanding the provisions of Section 190 of the CBCA. A Dissenting Shareholder who, for any reason is not entitled to be paid the fair value for its Common Shares, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Common Shares notwithstanding the provisions of Section 190 of the CBCA. The fair value of the Common Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by Shareholders at the Shareholders Meeting; but in no event shall GENIVAR Inc. be required to recognize such Dissenting Shareholder as a Shareholder after the Effective Time and the name of such holder shall be removed from the applicable register as at the Effective Time. For greater certainty, in addition to any other restrictions in Section 190 of the CBCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

4.3 Dissenting GENIFINANCE Shareholders

Each registered GENIFINANCE Shareholder shall have the right to dissent with respect to the Arrangement, as provided for in Section 190 of the CBCA, but as modified by the terms of this Plan of Arrangement and the Interim Order. A Dissenting GENIFINANCE Shareholder shall, at the Effective Time, cease to have any rights as a GENIFINANCE Shareholder and shall only be entitled to be paid the fair value of the GENIFINANCE Shares by GENIFINANCE. A Dissenting GENIFINANCE Shareholder who is paid the fair value for its GENIFINANCE Shares shall be deemed to have transferred its GENIFINANCE Shares to GENIFINANCE at the Effective Time for cancellation, notwithstanding the provisions of Section 190 of the CBCA. A Dissenting GENIFINANCE Shareholder who, for any reason is not entitled to be paid the fair value for its GENIFINANCE Shares, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of GENIFINANCE Shares notwithstanding the provisions of Section 190 of the CBCA. The fair value of the GENIFINANCE Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the GENIFINANCE Shareholders at the Shareholders Meeting; but in no event shall GENIFINANCE be required to recognize such Dissenting GENIFINANCE Shareholder as a GENIFINANCE Shareholder after the Effective Time and the name of such holder shall be removed from the applicable register as at the Effective Time. For greater certainty, in addition to any other restrictions in Section 190 of the CBCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 5 PAYMENT AND CERTIFICATES

5.1 Payment of the Cash Consideration

- (a) At or before the Effective Time, GENIVAR Inc. shall deposit with the Depositary, for the benefit of the GENIFINANCE Shareholders (excluding Dissenting GENIFINANCE Shareholders), the Cash Consideration as contemplated by Section 3.2(f). Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented the GENIFINANCE Shares that were transferred as provided in Section 3.2(f), together with a duly completed Letter of Transmittal and with such other documents and instruments as would have been required to effect the transfer of the GENIFINANCE Shares formerly represented by such certificate under the CBCA and the by-laws of GENIFINANCE, and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor the Cash Consideration, which such holder is entitled to receive pursuant to Section 3.2(f).
- (b) Subject to Section 5.4, GENIVAR Inc. shall, as soon as practicable and in any event within three (3) Business Days following the later of the Effective Date and the date of deposit with the Depositary of the documentation as provided in Section 5.1(a) to:

- (i) forward by mail (postage paid) to the holder at the address specified in the Letter of Transmittal; or
- (ii) if the Letter of Transmittal does not specify an address, forward by mail (postage paid) to the GENIFINANCE Shareholder at the address of such GENIFINANCE Shareholder as shown on the share register maintained by or on behalf of GENIFINANCE as at the Effective Time;

the Cash Consideration payable to such GENIFINANCE Shareholder pursuant to Section 3.2(f), the whole in accordance with the provisions hereof.

- (c) No GENIFINANCE Shareholder shall be entitled to receive any consideration with respect to the GENIFINANCE Shares other than the Cash Consideration, if any, which they are entitled to receive in accordance with Section 3.2(f). For greater certainty, no GENIFINANCE Shareholder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.
- (d) Until such time as a former GENIFINANCE Shareholder complies with the provisions of Section 5.1(a), the Cash Consideration to which such GENIFINANCE Shareholder is entitled shall, subject to Section 5.4, be held in trust by the Depositary for such GENIFINANCE Shareholder for delivery to the GENIFINANCE Shareholder, without interest, upon deposit with the Depositary of the documentation as provided in Section 5.1(a). Any interest earned on funds held in trust by the Depositary for the GENIFINANCE Shareholders pursuant to this Section 5.1 shall be for the sole benefit of New GENIVAR.
- (e) Until surrendered as contemplated by this Section 5.1, each certificate which immediately prior to the Effective Date represented GENIFINANCE Shares that were cancelled or exchanged as provided in Sections 3.2(f) shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender (together with the documentation set forth in Section 5.1(a)) the Cash Consideration which such GENIFINANCE Shareholder is entitled to receive pursuant to the provisions hereof.

5.2 Issuance of Certificates Representing the Common Shares

- (a) Upon surrender to the Depositary for the exchange of Common Shares for New Common Shares pursuant to Section 3.2(j) of a certificate which immediately prior to or upon the Effective Time represented Common Shares in respect of which the holder is entitled to receive New Common Shares under the Arrangement, together with a duly completed Letter of Transmittal and such other documents and instruments as would have been required to effect the exchange of the Common Shares formerly represented by such certificate under the CBCA and the by-laws of GENIVAR Inc., and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and after the Effective Time the Depositary shall deliver to such holder, a certificate representing that number of New Common Shares which such holder has the

right to receive (together with any dividends or distributions with respect thereto pursuant to Section 5.6) and any certificate so surrendered shall forthwith be transferred to GENIVAR Inc.

- (b) Until surrendered as contemplated by this Section 5.2, each certificate which immediately prior to or upon the Effective Time represented one or more Common Shares, under the Arrangement, that were exchanged or were deemed to be exchanged for New Common Shares pursuant to Section 3.2(j), shall be deemed at all times at and after the Effective Time to represent only the right to receive upon such surrender (i) a certificate representing that number of New Common Shares which such holder has the right to receive as contemplated by this Section 5.2 and (ii) any dividends or distributions with a record date after the Effective Time theretofor paid or payable with respect to the New Common Shares as contemplated by Section 5.6.

5.3 Right to Receive Consideration

Subject to Section 5.1, from and after the Effective Time, any certificates formerly representing Common Shares, GENIFINANCE Shares or Units that were exchanged under Section 3.2 shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Unitholders, Dissenting Shareholders or Dissenting GENIFINANCE Shareholders, other than those Dissenting Unitholders, Dissenting Shareholders or Dissenting GENIFINANCE Shareholders deemed to have participated in the Arrangement pursuant to Sections 4.1, 4.2 and 4.3, to receive the fair value of the Units, the Common Shares or the GENIFINANCE Shares, as applicable, represented by such certificates.

5.4 Extinguishment of Rights

Any certificate formerly representing Common Shares, GENIFINANCE Shares or Units that is not deposited, together with all other documents as required by this Plan of Arrangement on or before the sixth anniversary of the Effective Date, shall cease to represent a right or claim of any kind or nature including the right of the holder of such Common Shares, GENIFINANCE Shares or Units to receive the Cash Consideration or New Common Shares (and any dividend and distributions thereon), as applicable. In such case, such Cash Consideration or New Common Shares (together with all dividends and distributions thereon), as applicable, shall be returned to New GENIVAR for cancellation.

5.5 Book Entry System and Certificates

Except for the New Common Shares transferred to Shareholders in exchange for their Common Shares in accordance with Sections 3.2(l) and 5.2, registration of interests in and transfers of the New Common Shares will be made through a book-entry system (the "**Book Entry System**") administered by CDS. On or about the Effective Date, New GENIVAR will deliver to CDS one or more certificates evidencing the aggregate number of New Common Shares issued in connection with Section 3.2(l).

New Common Shares transferred to Unitholders in accordance with Section 3.2(l) may be transferred or surrendered for redemption through a participant in the CDS depository service (a "**CDS Participant**"). All rights of holders of New Common Shares transferred to Unitholders in accordance with Section 3.2(l) may be exercised through, and all payments or other property to which such holder is entitled, may be made or delivered by, CDS or the CDS Participant through which the holder holds such New Common Shares. Upon transfer of such New Common Shares to Unitholders in accordance with Section 3.2(l), the Unitholders will receive only a customer confirmation from the registered dealer which is a CDS Participant and from or through which the New Common Shares are transferred.

New GENIVAR may issue certificates representing New Common Shares to one or more shareholders. New GENIVAR also has the option to terminate registration of the New Common Shares through the Book Entry System, in which case certificates for the New Common Shares in fully registered form would be issued to beneficial owners of such New Common Shares or their nominees. In the event that any Units are evidenced by a certificate prior to the Effective Date, Sections 5.2 and 5.6 shall be applicable, *mutatis mutandis*, with respect to the exchange of such Units for New Common Shares pursuant to Section 3.2(l).

5.6 Distribution with Respect to Unsurrendered Certificates

No distribution paid, declared or made with respect to New Common Shares with a record date after the Effective Time, shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Time represented outstanding Common Shares that were exchanged for New Common Shares pursuant to Section 3.2(j) unless and until the holder of such certificate shall comply with the provisions of Section 5.2. Subject to applicable law, at the time such holder shall have complied with the provisions of Section 5.2, there shall be paid to the holder of the certificates formerly representing Common Shares, without interest, (i) the amount of dividends or other distributions with a record date after the Effective Time theretofor paid with respect to the New Common Shares, to which such holder is entitled pursuant hereto and (ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to the date of compliance by such holder with the provisions of Section 5.2 and a payment date subsequent to the date of such compliance and payable with respect to New Common Shares.

5.7 Lost or Missing Share or Unit Certificates

If any certificate which immediately prior to the Effective Time represented an interest in outstanding Common Shares, GENIFINANCE Shares or Units that were exchanged for the Cash Consideration or New Common Shares, as applicable, pursuant to Section 3.2 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the registered holder thereof in the register of Common Shares maintained by GENIVAR Inc., the register of GENIFINANCE Shares maintained by GENIFINANCE or the register of Units maintained by the Depository shall, as a condition precedent to the receipt thereof, provide to New GENIVAR a bond, in form and substance satisfactory to

New GENIVAR, or shall otherwise indemnify New GENIVAR to its satisfaction, in its sole and absolute discretion, against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.

5.8 Fractional Shares or Units

No fractional Common Shares or New Common Shares, as applicable, shall be issued under this Arrangement. In lieu of any fractional shares, each holder of Common Shares or Units otherwise entitled to a fractional interest in a Common Share or a New Common Share, as applicable, will receive the nearest whole number of Common Shares or New Common Shares (with fractions equal to or greater than exactly 0.5 being rounded up, and less than 0.5 being rounded down), as applicable.

5.9 Withholding Rights

New GENIVAR and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any holder of Units, Common Shares or GENIFINANCE Shares under this Plan of Arrangement, such amounts as New GENIVAR or the Depositary is entitled or required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), the *United States Internal Revenue Code of 1986* or any provision of provincial, state, local or foreign tax law, in each case, as amended or succeeded. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the holder of Units, Common Shares or GENIFINANCE Shares, as the case may be, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. New GENIVAR and the Depositary are hereby authorized to sell or otherwise dispose of such portion of the New Common Shares, as is necessary to provide sufficient funds to New GENIVAR or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement or entitlement and New GENIVAR or the Depositary shall notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

ARTICLE 6 AMENDMENTS

6.1 Right to Amendment

Subject to Sections 6.2, 6.3 and 6.4, the parties to the Arrangement Agreement may amend this Plan of Arrangement at any time, provided that each such amendment must be: (i) set out in writing; (ii) approved by the other parties; and (iii) filed with the Court;

6.2 Amendments Before Meetings

Subject to Section 6.3, any amendment to this Plan of Arrangement may be proposed by the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario, GENIVAR Inc. or GENIFINANCE prior to or at the Meetings (provided that the other parties shall have consented thereto) with or without any other

prior notice or communication to Unitholders, Shareholders or GENIFINANCE Shareholders, and if so proposed and accepted by the persons voting at the Meetings (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Amendments Before Effective Time

Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time by the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario, GENIVAR Inc. or GENIFINANCE (provided that the other parties shall have consented thereto) without the approval of the Court, the Unitholders, the Shareholders and the GENIFINANCE Shareholders, provided that it concerns a matter which, in the reasonable opinion of the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario, GENIVAR Inc. or GENIFINANCE (provided that the other parties shall have consented thereto), is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or is not adverse to the financial or economic interests of any former holder of Units, Common Shares or GENIFINANCE Shares.

6.4 Additional Amendments

Subject to Section 6.3, the Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario, GENIVAR Inc. or GENIFINANCE (provided that the other parties shall have consented thereto) may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Meetings and prior to the Effective Time with the approval of the Court and, if and as required by the Court, after communication to Unitholders, Shareholders and GENIFINANCE Shareholders.

ARTICLE 7 GENERAL

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

7.2 Severability of Plan of Arrangement Provisions

If, prior to the Effective Date, any term or provision of this Plan of Arrangement is held by the Court to be invalid, void or unenforceable, the Court, at the request of any parties, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original

purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan of Arrangement shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

7.3 Governing Laws

This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan of Arrangement and all proceedings taken in connection with this Plan of Arrangement and its provisions shall be subject to the exclusive jurisdiction of the Court.

7.4 Time

Time is of the essence in the performance of the parties' respective obligations.

SCHEDULE A TO THE PLAN OF ARRANGEMENT

Common Shares

The classes and any maximum number of shares that the Corporation is authorized to issue:

Unlimited number of common shares.

- I. The common shares shall have attached thereto the following rights, privileges, restrictions and conditions:**
- (a) ***Voting.*** Each common share shall entitle the holder thereof to one (1) vote at all meetings of the shareholders of the Corporation.
 - (b) ***Dividends.*** The holders of the common shares shall be entitled to receive during each year, as and when declared by the board of directors, dividends payable in money, property or by the issue of fully paid shares of the share capital of the Corporation.
 - (c) ***Liquidation, etc.*** In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of assets of the Corporation among shareholders for the purpose of winding up its affairs, the holders of the common shares shall be entitled to receive the remaining property of the Corporation.

SCHEDULE C
SHARE CONVERSION RATIO ADJUSTMENT

The Common Shares will be converted into New GENIVAR Shares based on the following ratio:

9,060,387+ (Pro Forma Adjusted Net Asset Value determined pursuant to section 2.2.5 divided
by 28.34)

9,060,387

SCHEDULE D
FORM OF LOCK-UP AGREEMENT FOR THE SIGNIFICANT HOLDERS

LOCK-UP AGREEMENT

_____, 2010

To: GENIVAR Inc. and GENIVAR Income Fund, as predecessors to New GENIVAR (as defined herein)

And to: New GENIVAR

Re: Arrangement of GENIVAR Inc.

Ladies and Gentlemen,

Reference is made to the arrangement agreement entered into as of April 15, 2010 (the "**Arrangement Agreement**") between GENIVAR Income Fund (the "**Fund**"), GENIVAR Operating Trust, GENIVAR GP Inc., GENIVAR Limited Partnership, GENIVAR Consultants Limited Partnership, GENIVAR Ontario Inc., GENIVAR Inc. and GENIFINANCE (2006) Inc. (collectively, "**GENIVAR**"), pursuant to which the Fund will be reorganized from an income trust structure (the "**Arrangement**") into a public corporation to be named "GENIVAR Inc." ("**New GENIVAR**").

For the purposes of this agreement, "**New GENIVAR Shares**" shall mean all common shares in the share capital of New GENIVAR either beneficially owned, controlled or directed, directly or indirectly, by the undersigned immediately after the completion of the Arrangement.

The undersigned recognizes that he or she will benefit from the Arrangement.

In consideration of the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that he or she will not, in any manner, without the prior written consent of the board of directors of New GENIVAR, directly or indirectly,

- (i) sell, offer, contract or grant any option or right to sell (including without limitation any short sale, put option or call option), pledge, transfer, or otherwise dispose of the New GENIVAR Shares;
- (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of New GENIVAR Shares, whether any such swap or transaction is to be settled by delivery of New GENIVAR Shares, in cash or otherwise;
- (iii) publicly announce an intention to do any of the foregoing; or
- (iv) act jointly or in concert with any third party with respect to any of the matters set forth hereinabove,

for a period of

- (i) nine (9) months from the effective date of the Arrangement (the "**Effective Date**"), in respect of two thirds (2/3) of the undersigned's New GENIVAR Shares,
- (ii) eighteen (18) months from the Effective Date, in respect one third (1/3) of the undersigned's New GENIVAR Shares,

such that one third (1/3) of the undersigned's New GENIVAR Shares shall be freely tradable on the Effective Date, two thirds (2/3) of the undersigned's New GENIVAR Shares shall be freely tradable from the date that is nine (9) months after the Effective Date, and all of the undersigned's New GENIVAR Shares shall be freely tradable from the date that is eighteen (18) months after the Effective Date, in all cases subject to applicable laws and to New GENIVAR's internal policies.

Notwithstanding the restrictions on transfers described above, the undersigned may transfer New GENIVAR Shares (i) by way of enforcement or execution of a pledge or security interest in connection with a bona fide loan of the undersigned, and (ii) any transfer of New GENIVAR Shares pursuant to a bona fide third party take-over bid, merger, plan of arrangement or other transactions made to all holders of issued and outstanding shares of New GENIVAR, provided that in the event that the take-over bid, merger, plan of arrangement or other such transaction is not completed, the New GENIVAR Shares owned by the undersigned shall remain subject to the restrictions contained in this agreement.

This agreement shall automatically terminate upon (i) the termination of the undersigned's employment by New GENIVAR without cause, (ii) the death or incapacity for a period of three months of the undersigned. For greater certainty, this agreement shall continue in full force and effect upon (i) the termination of the undersigned's employment by New GENIVAR for cause and (ii) the resignation of the undersigned.

This agreement does not apply to common shares of New GENIVAR that the undersigned may purchase in the market or otherwise acquire after completion of the Arrangement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this lock-up letter agreement and that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof.

This agreement and the rights and obligations of the undersigned shall be governed and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein. All matters relating hereto shall be submitted to the court of appropriate jurisdiction in the Province of Québec, Canada for the purpose of this agreement and for all related proceedings.

Upon execution of this agreement by the undersigned, this agreement shall be binding and irrevocable in favour of GENIVAR Inc. and the Fund. In the event that the Arrangement Agreement is terminated, GENIVAR Inc. and the Fund shall send a written notice to the

undersigned stating that the Arrangement will not proceed and this agreement shall automatically become null and void.

This agreement is irrevocable and binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned, provided however that the undersigned shall not assign this agreement without the prior written consent of GENIVAR Inc. and the Fund or, after the Effective Date, New GENIVAR. This agreement may be assigned by GENIVAR Inc., the Fund and New GENIVAR without the prior consent of the undersigned.

For greater certainty, after completion of the Arrangement, this agreement shall be binding in favour of New GENIVAR.

The undersigned recognizes and acknowledges that the covenants and other commitments contained in this agreement are reasonable and that a breach by the undersigned of any of such covenants or other commitments will cause GENIVAR Inc. and the Fund or, after the Effective Date, New GENIVAR to sustain injury for which they would not have an adequate remedy at law for money damages. Therefore, the undersigned agrees that in the event of any such breach, GENIVAR Inc. and the Fund or, after the Effective Date, New GENIVAR shall be entitled to the remedy of specific performance of such covenants or commitments and preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

This agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document.

[Signature page follows]

Dated this _____ day of _____, 2010.

Printed Name of Holder

By: _____

Signature

Printed Name of Person Signing
(and indicate capacity of person signing if
signing as custodian, trustee, or on behalf of
an entity)

Accepted and agreed as of _____, 2010.

GENIVAR INC.

Name:

Title:

GENIVAR INCOME FUND

Name:

Title:

SCHEDULE E
FORM OF LOCK-UP AGREEMENT FOR THE HOLDERS OF
COMMON SHARES OTHER THAN THE SIGNIFICANT HOLDERS

LOCK-UP AGREEMENT

_____, 2010

To: GENIVAR Inc. and GENIVAR Income Fund, as predecessors to New GENIVAR (as defined herein)

And to: New GENIVAR

Re: Arrangement of GENIVAR Inc.

Ladies and Gentlemen,

Reference is made to the arrangement agreement entered into as of April 15, 2010 (the "**Arrangement Agreement**") between GENIVAR Income Fund (the "**Fund**"), GENIVAR Operating Trust, GENIVAR GP Inc., GENIVAR Limited Partnership, GENIVAR Consultants Limited Partnership, GENIVAR Ontario Inc., GENIVAR Inc. and GENIFINANCE (2006) Inc. (collectively, "**GENIVAR**"), pursuant to which the Fund will be reorganized from an income trust structure (the "**Arrangement**") into a public corporation to be named "GENIVAR Inc." ("**New GENIVAR**").

For the purposes of this agreement, "**New GENIVAR Shares**" shall mean all common shares in the share capital of New GENIVAR either beneficially owned, controlled or directed, directly or indirectly, by the undersigned immediately after the completion of the Arrangement.

The undersigned recognizes that he or she will benefit from the Arrangement.

In consideration of the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that he or she will not, in any manner, without the prior written consent of the board of directors of New GENIVAR, directly or indirectly,

- (i) sell, offer, contract or grant any option or right to sell (including without limitation any short sale, put option or call option), pledge, transfer, or otherwise dispose of the New GENIVAR Shares;
- (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of New GENIVAR Shares, whether any such swap or transaction is to be settled by delivery of New GENIVAR Shares, in cash or otherwise;
- (iii) publicly announce an intention to do any of the foregoing; or
- (iv) act jointly or in concert with any third party with respect to any of the matters set forth hereinabove,

for a period of

- (i) four and a half (4 ½) months from the effective date of the Arrangement (the "**Effective Date**"), in respect of two thirds (2/3) of the undersigned's New GENIVAR Shares,
- (ii) nine (9) months from the Effective Date, in respect one third (1/3) of the undersigned's New GENIVAR Shares,

such that one third (1/3) of the undersigned's New GENIVAR Shares shall be freely tradable on the Effective Date, two thirds (2/3) of the undersigned's New GENIVAR Shares shall be freely tradable from the date that is four and a half (4 ½) months after the Effective Date, and all of the undersigned's New GENIVAR Shares shall be freely tradable from the date that is nine (9) months after the Effective Date, in all cases subject to applicable laws and to New GENIVAR's internal policies.

Notwithstanding the restrictions on transfers described above, the undersigned may transfer New GENIVAR Shares (i) by way of enforcement or execution of a pledge or security interest in connection with a bona fide loan of the undersigned, and (ii) any transfer of New GENIVAR Shares pursuant to a bona fide third party take-over bid, merger, plan of arrangement or other transactions made to all holders of issued and outstanding shares of New GENIVAR, provided that in the event that the take-over bid, merger, plan of arrangement or other such transaction is not completed, the New GENIVAR Shares owned by the undersigned shall remain subject to the restrictions contained in this agreement.

This agreement shall automatically terminate upon (i) the termination of the undersigned's employment by New GENIVAR without cause, (ii) the death or incapacity for a period of three months of the undersigned. For greater certainty, this agreement shall continue in full force and effect upon (i) the termination of the undersigned's employment by New GENIVAR for cause and (ii) the resignation of the undersigned.

This agreement does not apply to common shares of New GENIVAR that the undersigned may purchase in the market or otherwise acquire after completion of the Arrangement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this lock-up letter agreement and that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof.

This agreement and the rights and obligations of the undersigned shall be governed and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein. All matters relating hereto shall be submitted to the court of appropriate jurisdiction in the Province of Québec, Canada for the purpose of this agreement and for all related proceedings.

Upon execution of this agreement by the undersigned, this agreement shall be binding and irrevocable in favour of GENIVAR Inc. and the Fund. In the event that the Arrangement Agreement is terminated, GENIVAR Inc. and the Fund shall send a written notice to the

undersigned stating that the Arrangement will not proceed and this agreement shall automatically become null and void.

This agreement is irrevocable and binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned, provided however that the undersigned shall not assign this agreement without the prior written consent of GENIVAR Inc. and the Fund or, after the Effective Date, New GENIVAR. This agreement may be assigned by GENIVAR Inc., the Fund and New GENIVAR without the prior consent of the undersigned.

For greater certainty, after completion of the Arrangement, this agreement shall be binding in favour of New GENIVAR.

The undersigned recognizes and acknowledges that the covenants and other commitments contained in this agreement are reasonable and that a breach by the undersigned of any of such covenants or other commitments will cause GENIVAR Inc. and the Fund or, after the Effective Date, New GENIVAR to sustain injury for which they would not have an adequate remedy at law for money damages. Therefore, the undersigned agrees that in the event of any such breach, GENIVAR Inc. and the Fund or, after the Effective Date, New GENIVAR shall be entitled to the remedy of specific performance of such covenants or commitments and preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

This agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document.

[Signature page follows]

Dated this _____ day of _____, 2010.

Printed Name of Holder

By:

Signature

Printed Name of Person Signing
(and indicate capacity of person signing if
signing as custodian, trustee, or on behalf of
an entity)

Accepted and agreed as of _____, 2010.

GENIVAR INC.

Name: _____

Title:

GENIVAR INCOME FUND

Name:

Title:

SCHEDULE F
REGULATORY APPROVALS

1. Issuance of the Interim Order and the Final Order by the Court
2. Approval by the TSX of the substitutional listing and posting for trading of the New GENIVAR Shares
3. Issuance, by the Director appointed under section 260 of the CBCA, of the Certificate pursuant to subsection 192(7) of the CBCA giving effect to the Arrangement.
4. consent by BMO Bank of Montreal pursuant to the senior credit facility of GENIVAR LP dated May 25, 2006, as amended on May 23, 2008 (the "**Credit Facility**") or by any other lenders further to a refinancing of the Credit Facility.

**APPENDIX D
FAIRNESS OPINION**



April 15, 2010

Special Committee of the Board of Trustees & Board of Trustees
GENIVAR INCOME FUND
1600 René Lévesque West, 16th Floor
Montreal, QC
H3H 1P9

Attention: Pierre Simard, Trustee

Blair Franklin Capital Partners Inc. ("Blair Franklin") understands that GENIVAR Income Fund (the "Fund") is considering a proposed arrangement (the "Arrangement"), involving the Fund, GENIVAR Inc., GENIFINANCE (2006) Inc. ("GENIFINANCE" and, together with GENIVAR Inc., the "GENIVAR Holding Group"), GENIVAR Operating Trust (the "Trust"), GENIVAR GP Inc. ("GENIVAR GP"), GENIVAR Limited Partnership ("GENIVAR LP"), GENIVAR Consultants Limited Partnership ("GENIVAR Consultants LP") GENIVAR Ontario Inc. ("GENIVAR Ontario") (the Fund, the Trust, GENIVAR GP, GENIVAR LP, together with their respective subsidiaries and other entities controlled by them are hereinafter referred to as "GENIVAR"), the holders of units ("Units") of the Fund ("Unitholders"), the shareholders of GENIVAR Inc. (the "GENIVAR Holding Shareholders") and the shareholders of GENIFINANCE, as well as certain other related matters.

GENIVAR currently carries on the engineering services business of the Fund. The GENIVAR Holding Group is effectively a holding group through which its shareholders, all of which are employees of the operating subsidiaries of the Fund, hold an indirect interest in the Fund. The GENIVAR Holding Group does not carry on any business or activities and does not have any material assets or liabilities.

If approved, the Arrangement will result in the reorganization of the Fund's income trust structure into a public corporation to be named "GENIVAR Inc." ("New GENIVAR") and the combination of the GENIVAR Holding Group with GENIVAR. As of the date hereof, the GENIVAR Holding Shareholders hold a 33.35% indirect interest in the Fund and Unitholders hold a 66.65% direct interest in the Fund. Pursuant to the Arrangement, which is expected to occur on or about January 1, 2011 (the "Effective Date"), Unitholders (other than dissenting Unitholders) will receive as consideration (the "Consideration"), for each Unit held, one common share of New GENIVAR (a "New GENIVAR Share") or in aggregate approximately 18,103,589 New GENIVAR Shares

Blair Franklin Capital Partners Inc.

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representing approximately 69.11% of New GENIVAR Shares outstanding immediately following completion of the Arrangement (subject to certain adjustments) and the GENIVAR Holding Shareholders will receive, for each common share of GENIVAR Inc. ("GENIVAR Holding Common Share") held 0.8929 (the "Projected Exchange Ratio") of a New GENIVAR Share or in aggregate, approximately 8,090,020 New GENIVAR Shares representing 30.89% of the New GENIVAR Shares outstanding immediately following completion of the Arrangement (subject to certain adjustments). The exchange ratio will be finalized on December 31, 2010 (the "Final Exchange Ratio") based on Pro Forma Adjusted Net Asset Value for GENIVAR Holding Group (as defined in the Arrangement Agreement), which shall be no less than negative \$42 million.

The foregoing is a simplified summary of the Arrangement. The details of the Arrangement are more fully described in the Plan of Arrangement, the Arrangement Agreement and the Management Information Circular with respect to the Plan of Arrangement.

The Special Committee (the "Committee") of the Board of Trustees of GENIVAR (the "Board") has retained Blair Franklin as its independent financial advisor to provide financial advice with respect to the Arrangement and to prepare and deliver to the Committee this opinion (the "Opinion") as to the fairness, from a financial point of view, to the Unitholders other than those Unitholders whose votes may not be included in determining minority approval pursuant to MI 61-101 (collectively, the "Excluded Unitholders"), of the Consideration to be offered pursuant to the Arrangement. Blair Franklin has not been asked to prepare, and has not prepared, a formal valuation of the Fund, GENIVAR Holding Group, New GENIVAR or any of their securities or assets and the Opinion should not be construed as such.

Engagement of Blair Franklin

The Committee retained Blair Franklin effective December 7, 2009 and the Committee and Blair Franklin executed an engagement agreement dated December 7, 2009 (the "Engagement Agreement"). The Engagement Agreement provides for the payment to Blair Franklin of fees in respect of the preparation and delivery of its Opinion. Our fees are not contingent on the completion of the transaction contemplated in the Arrangement nor on the conclusions reached herein. In addition, Blair Franklin is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the Fund in certain circumstances.

Relationship with Related Parties

Blair Franklin is not an insider, associate or affiliate (as such terms are defined in the *Securities Act* (Ontario)) of the Fund or GENIVAR Holding Group or any of its respective associates or affiliates. Blair Franklin has not provided any financial advisory services or participated in any financing involving the Fund or GENIVAR Holding Group or any of their respective associates or affiliates within the past twenty-four months, other than services provided under the Engagement Agreement.

Credentials of Blair Franklin

Blair Franklin is an independent investment bank. We advise on mergers, acquisitions and divestitures, related party transactions, financings, restructurings, risk management and governance issues, and undertake valuations and fairness opinions, on behalf of corporate, private, institutional and public sector clients. Partners of Blair Franklin have participated in a significant number of transactions involving private and public companies and have extensive experience in preparing fairness opinions. The Opinion expressed herein is the opinion of Blair Franklin as a firm.

Scope of Review:

In preparing the Opinion, Blair Franklin has reviewed and relied upon, among other things:

1. Certain documents related to the Arrangement including the Arrangement Agreement dated April 15, 2010 and The Plan of Arrangement dated April 15, 2010;
2. Draft as of April 9, 2010 of the Management Information Circular;
3. Audited financial statements for the Fund for the years ended December 31, 2009 and 2008;
4. 2010 business plan and budget for the Fund;
5. Discussions with senior management of the Fund concerning business operations, financial condition, results, acquisition strategy, taxation issues and prospects of the Fund;
6. Discussions with members of the Committee and the Board concerning business operations, financial condition, results, acquisition strategy, taxation issues and prospects of the Fund;
7. Certain information related to existing and proposed credit facilities for the Fund and discussion with management of the Fund of this information;
8. Certain other internal analyses and statistics provided by the Fund;
9. Financial information related to GENIVAR Holding Group, including 2009 Financial statements for GENIVAR Inc.;
10. Materials prepaid by Stikeman Elliott regarding due diligence review of Genivar Holding Group;
11. Discussion with Stikeman Elliott regarding their due diligence and other legal matters related to the Arrangement;
12. Analysis and recommendations prepared by the Fund's financial advisor, BMO Capital Markets;
13. Discussion with BMO Capital Markets regarding their analysis and recommendations;
14. Memo dated April 9, 2010 from Ernst & Young LLP regarding GENIVAR Income Fund Conversion and other materials provided by Ernst & Young LLP;

15. Discussions with Ernst & Young LLP regarding the conversion structure;
16. KPMG valuation of GENIVAR Inc. dated April 15;
17. Discussions with KPMG regarding its valuation of GENIVAR Inc.;
18. Analysis and recommendations prepared by Perrault Consulting regarding post-conversion compensation;
19. Discussion with Perrault Consulting regarding their analysis and recommendations;
20. Industry and financial market information;
21. Public information relating to the business, operations, financial performance and share price trading history of the Fund and other selected public companies whose businesses we believe to be relevant;
22. A certificate provided to us by senior officers of the Fund and GENIVAR Inc. as to certain factual matters; and
23. Such other information, documentation, analyses and discussions that we considered relevant in the circumstances.

Blair Franklin has not, to the best of its knowledge, been denied access by the Fund or GENIVAR Holding Group to any information that has been requested.

Blair Franklin has conducted such analyses, investigations and testing of assumptions as were considered by Blair Franklin to be appropriate in the circumstances for the purposes of arriving at its opinion as to the fairness, from a financial point of view, of the Consideration to be offered to the Unitholders pursuant to the Arrangement, to Unitholders other than the Excluded Unitholders.

Assumptions and Limitations

The Opinion is subject to the assumptions, explanations and limitations hereinbefore described and as set forth below.

We have not been asked to prepare, and have not prepared, a formal valuation or appraisal of the Fund, GENIVAR Holding Group or any of their respective securities or assets and this Opinion should not be construed as such. We have, however, conducted such analyses as we considered necessary in the circumstances. In addition, the Opinion is not, and should not be construed as, advice as to the price at which the Units or shares of New GENIVAR may trade at any future date.

With the Committee's approval and as provided in the Engagement Agreement, Blair Franklin has relied, without independent verification, upon the completeness, accuracy and fair presentation in all material respects of all financial information and the completeness and accuracy of the other information, data, advice, opinions and representations obtained by it from public sources, management of the Fund and GENIVAR Holding Group and their respective associates and affiliates and advisors or otherwise (collectively, the "Information") and we have assumed that the historical

information included in the Information did not omit to state any material fact or any fact necessary to be stated or necessary to make that Information not misleading in light of the circumstances in which it was made. This Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as described herein, Blair Franklin has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information. With respect to the forecasts, projections or estimates provided to Blair Franklin and used in the analysis supporting the Opinion, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of management of the Fund and GENIVAR Holding Group as to the matters covered thereby at the time of preparation and, in rendering the Opinion, we express no view as to the reasonableness of such forecasts or budgets or the assumptions on which they are based.

Representatives of the Fund and GENIVAR Inc. have represented to Blair Franklin in a certificate delivered as at the date hereof, among other things, that (i) the Information provided orally by, or in writing by, the Fund, GENIVAR Inc. or any of their subsidiaries or their respective agents to Blair Franklin for the purpose of preparing this Opinion was, at the date that the Information was provided to Blair Franklin, and is, at the date hereof, together with all other documents which have been filed by the Fund or GENIVAR Inc. in compliance with its obligations under applicable securities laws (and to the extent not superseded by a subsequent filing), complete, true and correct in all material respects and did not and does not contain any untrue statement of a material fact in respect of the Fund or GENIVAR Inc. and did not and does not omit to state a material fact in respect of the Fund or GENIVAR Inc. necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; and that (ii) since those dates on which the Information was provided to Blair Franklin, except as was disclosed in writing to Blair Franklin, or as publicly disclosed, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business or operations of the Fund or GENIVAR Inc. and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.

Blair Franklin has made several assumptions in connection with its Opinion that it considers reasonable, including that, the conditions required to implement the Arrangement will be met.

The Opinion is rendered on the basis of the securities markets, economic, financial, and general business conditions prevailing as at the date hereof and the conditions, financial and otherwise, of the Fund, and its respective subsidiaries and affiliates, as they were reflected in the Information and as they were represented to Blair Franklin in discussions with management of the Fund. In its analyses and in preparing the Opinion, Blair Franklin made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Blair Franklin or any party involved in the Arrangement.

The Opinion has been provided to the Committee and the Board for their use and may not be used or relied upon by any other person without the express prior written consent of Blair Franklin.

Blair Franklin was not asked to, and does not, offer any opinion or recommendation as to whether Unitholders should vote in favour of the Arrangement.

The Opinion is given as of the date hereof and Blair Franklin disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Blair Franklin after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Blair Franklin reserves the right to change, modify or withdraw the Opinion.

Blair Franklin believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Fairness Conclusion

Based upon and subject to the foregoing and such other matters as we considered relevant, Blair Franklin is of the opinion that, as of the date hereof, the Consideration to be offered to Unitholders pursuant to the Arrangement is fair from a financial point of view to the Unitholders other than the Excluded Unitholders.

Yours very truly,

Blair Franklin Capital Partners Inc.

BLAIR FRANKLIN CAPITAL PARTNERS INC.

**APPENDIX E
VALUATION**



Advisory Services

Strictly privileged and confidential

GENIVAR INCOME FUND FORMAL VALUATION REPORT

April 2010

Prepared by
KPMG LLP

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Glossary

61-101	Multilateral Instrument 61-101, Protection of Minority Security Holders in Special Proposed Transactions
ACB	Adjusted cost base
Adjusted Net Assets Value	Value derived when each asset and liability appearing on the balance sheet is written up or down, as the case may be, to its respective current or FMV as of the Valuation Date, on a going-concern (as opposed to liquidation) basis. Corporate income taxes relating to the above adjustments are notionally accounted for to arrive at adjusted shareholders' equity on a net basis.
BMO	BMO Banque de Montréal
BV	Book value
CAGR	Compounded annual growth rate
CO ₂	CO ₂ Solutions Inc.
Circular	Information Circular to be sent to the unitholders' of the Fund in connection with the Proposed Transaction
Construction Inc.	Genivar Construction Inc.
Construction Ltd.	Genivar Construction Ltd.
DCF	Discounted cash flow
DFE	Discounted future earnings
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EIU	Economist Intelligence Unit
EV	Enterprise value
E&Y	Ernst & Young LLP
Engagement Agreement ...	Letter of engagement between KPMG and the Independent Committee dated March 15, 2010
Engineering Services	Professional consulting engineering services such as project management, program management and outsourcing in relation to the development and implementation of infrastructure and other projects
FMV	Fair market value
Formal Valuation	Formal Valuation as defined within 61-101
Fund	Genivar Income Fund and its underlying entities including Genivar Limited Partnership
GAAP	Generally accepted accounting principles
GDP	gross domestic product
Genifinance	Genifinance (2006) Inc.
Genivar	Genivar Inc. and its subsidiaries
Genivar GP	Genivar GP Inc.
Genivar Group	Genivar and the Fund
Genivar LP	Genivar Limited Partnership
Independent Committee Or Client	Independent Committee of the Board of Directors of Genivar Income Fund
Information	Financial and other factual information, data, advice, opinions, or representations from public sources and senior management of the Genivar Group. and its consultants
IPO	Initial public offering
KPMG	KPMG LLP
LTM	Last twelve month
New Genivar	Combination or merger of Genivar Inc. and Genivar Income Fund into a newly incorporated entity
P/E	Price to earnings
Proposed Transaction	Conversion to a corporation of the Fund through the combination of Genivar and the Fund into New Genivar effective on January 1 st , 2011
PwC	PricewaterhouseCoopers LLP
Shares	Share of New Genivar to be issued on January 1 st , 2011 pursuant to the Proposed Transaction
Stikeman	Stikeman Elliott LLP
Trust	Genivar Operating Trust
TSX	Toronto Stock Exchange
Units	Issued and outstanding units of the Fund
Valuation Date	April 15, 2010



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Privileged & Confidential

April 15, 2010

The Special Committee of Independent Trustee
Genivar Income Fund
1600 René-Lévesque Blvd. West, 6th Floor
Montréal, Québec H3H 1P9

**Subject: Valuation of Genivar Income Fund Units and New Genivar Shares (pro forma)
as at April 15, 2010**

1. Introduction and Engagement

1.1 Introduction

KPMG LLP (“**KPMG**”) understands that Genivar Inc. and its subsidiaries (collectively “**Genivar**”) and Genivar Income Fund and its underlying entities (collectively the “**Fund**”) will convert to a corporation through the combination of Genivar and the Fund into a newly incorporated entity (“**New Genivar**”) on January 1st, 2011, pursuant to an arrangement agreement (the “**Proposed Transaction**”) that has been announced on April 15, 2010. Genivar and the Fund are collectively referred to as the (“**Genivar Group**”).

We understand that the Proposed Transaction is subject to the business combination rules outlined in Multilateral Instrument 61-101 (“**61-101**”), Protection of Minority Security Holders in Special Proposed Transactions, and that a formal valuation (the “**Formal Valuation**”) as such term is defined therein, is required in respect of the Proposed Transaction. Accordingly, the Special Committee of Independent Trustee of Genivar Income Fund (the “**Independent Committee**” or the “**Client**”) has requested KPMG to:

- a) Provide an opinion as to the fair market value (“**FMV**”) of the net assets of Genivar and of the shares (the “**Shares**”) of New Genivar to be issued pursuant to the Proposed Transaction, on a pro forma basis, as at April 15, 2010 (the “**Valuation Date**”) in accordance with 61-101. The Shares represent the non-cash assets within the meaning of Section 6.3(1)(c) of 61-101; and
- b) Provide an opinion as to the FMV of the issued and outstanding units (the “**Units**”) of the Fund as at the Valuation Date in accordance with 61-101. The Units represent the affected securities within the meaning of Section 6.3(1)(b) of 61-101.

This report presents our Formal Valuation opinion of the Units and Shares (pro forma) as at the Valuation Date. All references in this document are to Canadian dollars unless otherwise noted.

Under the standards of the Canadian Institute of Chartered Business Valuators there are three types of valuation reports: comprehensive, estimate and calculation. The conclusions reported therein differ by the level of assurance provided and the extent of analysis, investigation and corroboration performed by the valuator, with a comprehensive valuation report providing the highest assurance and the calculation valuation report providing the lowest. The breadth of work performed by the valuator does not differ for the three types of reports, only the depth of analysis, investigation and independent corroboration. This report presents our opinion (comprehensive report) of the FMV of the Shares of New Genivar and the Units of the Fund.

1.2 Engagement of KPMG

KPMG was first contacted on March 6, 2010 to discuss its availability and valuation credentials in connection with the Proposed Transaction. KPMG was formally engaged by the Independent Committee by letter dated March 15, 2010 (the “**Engagement Agreement**”) to provide the Formal Valuation. The terms of the Engagement Agreement provide that KPMG is to be paid based on actual time spent at agreed hourly rates based on the experience of the professional assigned and is to be reimbursed for its reasonable out-of-pocket expenses to complete the Formal Valuation. KPMG is also being indemnified by the Client in respect of certain liabilities which may be incurred by KPMG in connection with the provision of its services. No part of KPMG's fee is contingent upon the conclusions reached in this Formal Valuation or on the successful completion of the Proposed Transaction.

On March 31, 2010, KPMG provided to the Independent Committee its preliminary views with respect to a range of the FMV of the Units of the Fund and the Shares of New Genivar. Upon completion of its internal review and internal approval process, KPMG delivered its Formal Valuation report. The Formal Valuation conclusions reflected herein are consistent with those provided to the Independent Committee on March 31, 2010.

1.3 Independence and Credentials of KPMG

KPMG is one of the world's largest professional services organizations, offering a broad range of services. KPMG's corporate finance and valuation professionals have significant experience in advising companies for various purposes, including securities law compliance, fairness opinions, mergers and acquisitions, corporate income tax and litigation matters, amongst other things. The valuation opinion expressed herein is the opinion of KPMG as a firm and the form and content herein has been approved for release by selected partners, each of whom is a member of the Canadian Institute of Chartered Business Valuators and experienced in merger, acquisition, divestiture and valuation matters.

None of KPMG or any of its affiliates:

- a) is an “associated” or “affiliated entity” or “issuer insider” of any entity within the Genivar Group as such terms are used in the Securities Rules;
- b) is an advisor to any entity within the Genivar Group in connection with the Proposed Transaction;

- c) is a manager or co-manager of a soliciting dealer group for the Proposed Transaction or a member of a soliciting dealer group for the Proposed Transaction;
- d) is the external auditor of the Fund or Genivar; or,
- e) has a financial incentive with respect to the conclusions reached in the Formal Valuation or has a material financial interest in the completion of the Proposed Transaction.

Neither KPMG nor any of its affiliates have conducted any prior valuations of the Fund or Genivar.

1.4 Prior Valuations

Genivar and the Fund has represented to KPMG after due enquiry that there have not been any prior valuations (as defined in 61-101) of Genivar, the Fund or their material assets or their securities in the past 24-month period.

1.5 Definition of Fair Market Value

FMV is defined as the highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

1.6 The Market for the Units of the Fund and Shares of New Genivar, Viewed en Bloc

In determining the FMV of the Units of the Fund and the Shares of New Genivar, we have considered the market for the Units of the Fund and the Shares of New Genivar and the comments that follow:

There can possibly be as many prices for a business interest as there are purchasers; and each purchaser for a particular “pool of assets”, be it represented by overlying units, shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it. In an open market transaction, a purchaser will review a potential acquisition in relation to what “synergies” may be available: reduced or eliminated competition, assured source of material supply or sales, economies of scale or cost savings arising on business combination following acquisition and so forth. Theoretically, each purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore could pay a different price for a particular pool of assets than can each other purchaser.

In situations where no specific third-party purchaser has been clearly identified, it is extremely difficult to comment with any degree of certainty on the price that would be paid in an open market transaction.

Further, it is only in negotiation with a purchaser that such economies of scale can be quantified and, in such a case, the purchaser is generally in a far better position to quantify the value of any synergies than is the vendor.

Based on our discussions with the Genivar Group management, we understand that in the 24 months preceding the Valuation Date, Genivar, the Fund and New Genivar have not received any purchase offers of any form for either the Shares of Genivar or the Units of the Fund, or their underlying assets.

Moreover, as at the Valuation Date, the Units of the Fund have never been the subject of a public purchase offer from a special purchaser¹.

Therefore, our opinion does not include the recognition of a special purchaser premium since we did not identify any special purchaser at the Valuation Date. Moreover, it is to be noted that the recognition of a special purchaser premium would affect similarly the value of the Units of the Fund and the Shares of New Genivar.

Consistent with 61-101 in determining the FMV of the Units of the Fund, we have not included any adjustment to reflect the liquidity of the Units, the effect of the Proposed Transaction on the Units or the fact that the Units do not offer the unitholders control of the Fund.

2. Scope of Review

In the course of our mandate, we have reviewed and relied upon the documents obtained from the Genivar Group, its representatives, and public sources listed in Appendix 1.

In addition to the information noted in Appendix 1, we have obtained information from public sources regarding the state and the outlook of the economy, the industry, and the financial markets on or around the Valuation Date through various sources of information considered to be reliable such as, among other: The Bank of Canada, Capital IQ, Bloomberg, Canadian banks and securities firms.

In arriving at our conclusions, we have held various discussions and exchange various correspondences with the following individuals to gain a better understanding of the business and operations of the Genivar Group, as well as to obtain additional information and confirm various assumptions:

- Marcel Boucher, CA, CFE, Chief Financial Officer of Genivar Group;
- Brigitte Royer, CMA, Director, Due Diligence of Genivar Group;
- Louis-Martin Richer, Lawyer, Chief Legal Officer of Genivar Group;
- Pierre Simard, Chairman of the Independent Committee;
- From Stikeman Elliott LLP (“**Stikeman**”):
 - Maxime Turcotte, Partner;
 - Steeve Robitaille, Partner;
 - Charles Nadeau, Partner;
 - Marie-Ève Ferland; Lawyer;

¹ A special purchaser is an acquirer who can enjoy post-acquisition economies of scale, synergies, or strategic advantages by combining the acquired business interest with its own.

- From Blair Franklin Capital Partners Inc.:
 - John Medland, Vice-President; and
 - Sandy Mackay, Analyst.

3. Opinion

According to the information and documents reviewed, the explanations provided to us, and subject to the restrictions and assumptions noted herein, in our opinion the FMV of the Units of the Fund and the Shares of New Genivar are summarized at Table 3.1.

**Table 3.1
Valuation Conclusions**

('000) CAD	Reference	Low	High
FMV of the Units	Table 7.4	760,600	781,000
Adjusted Net Assets Value	Table 8.6	(27,800)	(27,200)
FMV of the Shares		732,800	753,800

3.1 Restrictions and Limitations

The Formal Valuation has been provided for the use of the Independent Committee and for inclusion in an Information Circular (the “**Circular**”) to be sent to the unitholders’ of the Fund in connection with the Proposed Transaction, and may not to be used by any other person or relied upon by any other person without the express prior written consent of KPMG. KPMG will assume no responsibility for losses incurred by any entity within the Genivar Group, the Fund, their shareholders, directors, or any other parties as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

The financial statements and other information, including forward looking information, provided by Genivar, the Fund or their representatives have been accepted, without further verification, as correctly reflecting the relevant business conditions and operating results for the respective periods.

KPMG has relied upon the completeness, accuracy and fair presentation of all of the financial and other factual information, data, advice, opinions or representations obtained by it from public sources and management of Genivar and the Fund (collectively, the “**Information**”). Our conclusions are conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment, KPMG has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

KPMG’s conclusions are rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Genivar Group as they were reflected in the Information and as they have been represented to KPMG in discussions with management of the Genivar Group.

In its analyses and in preparing the Formal Valuation, KPMG made various assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of both KPMG and the Genivar Group.

The Formal Valuation is given as of the date hereof. KPMG disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Formal Valuation, which would have been known or expected to be known as of the date hereof, but may come or be brought to KPMG's attention after such date. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Formal Valuation after the date hereof, KPMG reserves the right to change, modify or withdraw the Formal Valuation. Moreover, KPMG reserves the right, but will be under no obligation, to complete any additional analyses that might subsequently be required following the receipt of additional information.

No opinion, counsel, or interpretation is intended in matters that require legal or appropriate professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources. Further, KPMG expresses no opinion herein concerning the future trading prices of the Shares and makes no recommendation to the Fund unitholders with respect to the Proposed Transaction.

KPMG believes that the Formal Valuation should be considered as a whole and that selecting portions of our analyses could create a misleading view of the methodologies and approaches underlying our conclusions. The preparation of a Formal Valuation is a complex process and not necessarily susceptible to a partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Our pro-forma valuation of the Shares of New Genivar is at the Valuation Date and does not include any prospective adjustment to reflect the financial position of Genivar as at January 1st, 2011. We understand that the terms of the Proposed Transaction include an adjustment clause to reflect those possible future variations.

3.2 Assumptions

Since the date that the Information has been provided, there has been no material change, financial or otherwise, in the financial position of Genivar, the Fund or in their respective assets, liabilities (contingent or otherwise), businesses, operations or prospects.

There has been no change in any material fact which is of a nature as to render the Information untrue or misleading which could have, or which would reasonably be expected to have, a material effect on the valuation.

The title to all such assets, properties, or business interests purportedly owned by the Genivar Group is good and marketable, and there are no adverse interests, encumbrances, engineering, environmental, zoning, planning or related issues associated with these interests. The subject assets, properties, or business interests are free and clear of any and all liens, encumbrances or encroachments, except for normal bank covenants and pledged securities.

There is full compliance with all applicable federal, local, provincial, and national regulations and laws, as well as the policies of all applicable regulators. All required licenses, rights, consents, or legislative or administrative authority from any federal, local, provincial or national government,

private entity, regulatory agency or organization have been or can be obtained or renewed for the operation of the businesses of the Genivar Group.

The Genivar Group had no significant contingent liabilities, unusual contractual obligations or substantial commitments, other than in the ordinary course of business, or litigation pending or threatened, other than as noted herein, as of the Valuation Date. All potential liabilities and provisions (warranties, work in progress, employee related costs, etc.) related to discontinued operations have been accounted for in the books and records of the Genivar Group.

The consolidated balance sheet of Genivar as at December 30, 2009 properly reflects the financial position of Genivar as at that date. There was no material change in the operations or financial position of Genivar between December 31, 2009 and the Valuation Date, other than noted herein. In this respect, management informed us of all material transactions that have occurred during such interim period.

The pro forma FMV of the Shares of New Genivar is equivalent to the addition of the FMV of the Units of the Fund and of the net assets (liabilities) of Genivar (on a pro forma basis, assuming the Proposed Transaction has taken place as at the Valuation Date). The management and employee incentive programs promulgated through the Fund will be replaced by economically equivalent program through New Genivar.

The number of Shares of New Genivar that will be issued and outstanding on January 1, 2011 will be approximately 26.194 million, as confirmed to us by the members of the Independent Committee.

4. Genivar Group

Overviews of the economy and industry factors impacting Genivar Group are presented in Appendices 2 and 3.

4.1 Historic and Organizational Structure

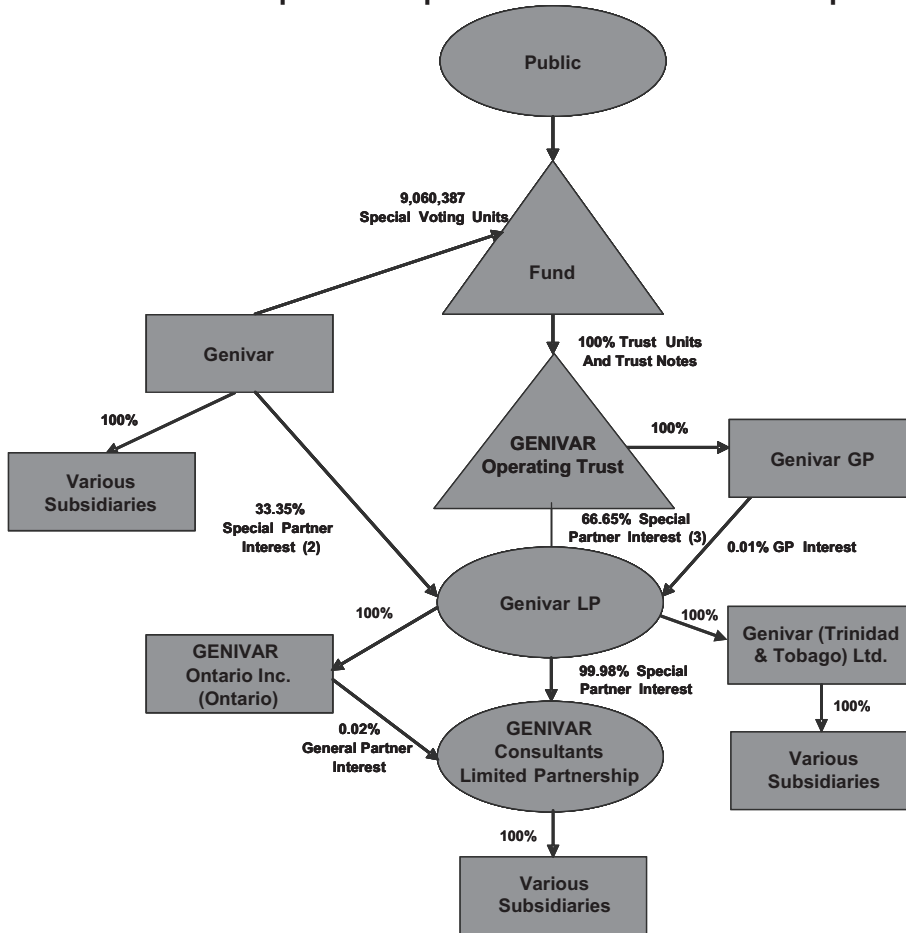
The engineering firm began its operations in 1987 in Québec City as *Groupe Conseil Genivar Inc.* Growth was achieved largely through acquisitions, and the group expanded its operations in Montréal through acquisitions in 1993.

At that time, Genivar Group's goal was to become a full-service national engineering services firm. To reach this goal, Genivar's growth strategy had been established by a combination of organic expansion and acquisitions. Since 1994, the Genivar Group has acquired 65 firms. These acquisitions helped Genivar to provide a diversified range of services in various market segments. In 2004, Genivar developed its activities at the international level with the opening of an office in the Caribbean and shortly thereafter in 2005 with the acquisition of a reputable local firm in Trinidad and Tobago.

The Fund was created on March 31, 2006 as an unincorporated, open-ended, limited purpose trust formed pursuant to the Fund Declaration of Trust under the laws of the Province of Quebec. The Fund was created in order to manage the financial operations of the Genivar Group. The Units started trading on the Toronto Stock Exchange ("TSX") on May 26, 2006 under the GNV.UN symbol.

As of the date hereof, the structure of Genivar and certain of its subsidiaries is illustrated in Figure 4.1. In short, the Fund owns 66.65% of Genivar Limited Partnership (“Genivar LP”). Most of the operations of the Genivar Group are performed in Genivar LP. Genivar owns subsidiaries involved in the general contracting business and possess the remaining 33.35% interest in Genivar LP.

**Figure 4.1
Simplified Corporate Chart of Genivar Group**



Note: Certain subsidiaries of Genivar, the Fund and Genivar LP, each of which represent no more than 10% of the consolidated assets and no more than 10% of the consolidated revenues of the Fund, and all of which, in the aggregate, represent no more than 20% of the total consolidated assets and the total consolidated revenues of the Fund as at December 31, 2009, have been omitted.

Source: 2009 Year-end financial report: Management’s Discussion & Analysis, Genivar Income Fund, March 23, 2010.

4.2 Activities of the Genivar Group²

The Genivar Group is (mainly through Genivar LP) a leading Canadian engineering services firm providing professional consulting engineering services such as project management, program

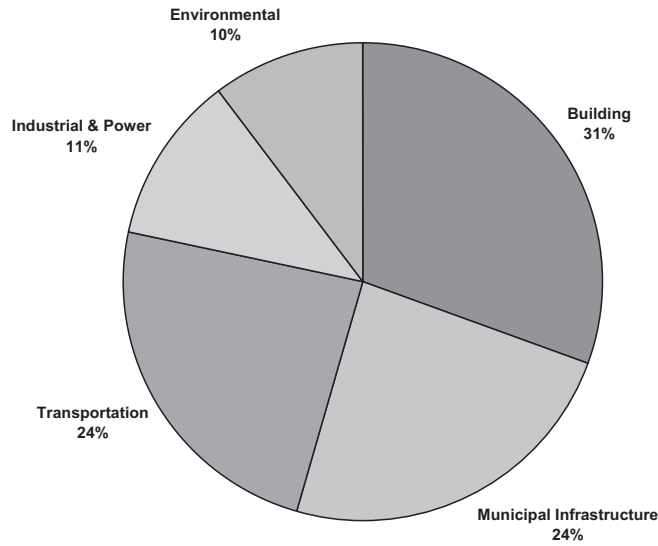
² Genivar Income Fund, Annual Information Form, March 30, 2009.
Genivar Income Fund 2008 year-end financial report; Management discussion and analysis.

management and outsourcing in relation to the development and implementation of infrastructure and other projects (“**Engineering Services**”). The Genivar Group provides various professional consulting services throughout all phases of a project’s life cycle which includes the initial development studies through the design, construction, commissioning, and maintenance phases. Genivar Group is active in five market segments; building, municipal and infrastructure, industrial and power, transportation and environment.

- **Building:** provides engineering, asset management, project management and architectural services to a wide range of clients and executes projects in the healthcare, educational, institutional, recreational, commercial, residential, manufacturing, telecommunication and industrial sectors.
- **Municipal infrastructure:** offers Municipal rehabilitation and development, water distribution and treatment, wastewater collection and treatment, solid waste treatment facilities, land development and various municipal facilities.
- **Transportation:** provides solutions for planning, modeling, engineering, project management and contracts administration services to public transport authorities, government departments, cities, airport and port authorities, railroad companies and real estate developers.
- **Industrial and power:** offers planning, engineering and project management services to various private industries such as mining and mineral processing, aluminum and light metals, chemical and petrochemicals, pulp and paper, wood products, pharmaceuticals and biotechnology, power generation and general manufacturing.
- **Environmental:** consists of impact studies and environmental assessments, ecosystem studies, monitoring surveys and characterizations, permitting, compliance audits, geomatics and mapping and risk management.

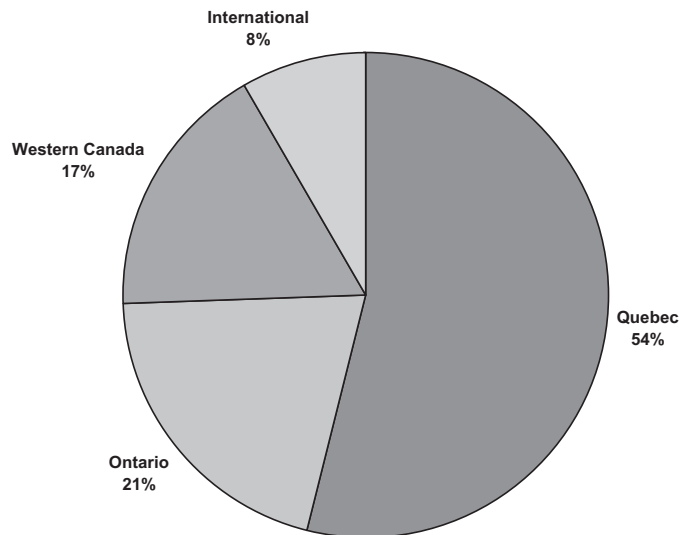
Approximately 79% of total revenues in 2009 were generated by the building, municipal infrastructure and transportation segments, as illustrated in Figure 4.2. Projects are contracted through public calls for tenders or through private agreements. The Genivar Group operates a fee-for-service business model. In 2009, approximately 60% of total revenues came from the public sector. In terms of geographic location, in 2009, 92% of total revenues came from within Canada and 8% from exports, as shown in Figure 4.3.

Figure 4.2
The Fund Revenues by Segment - 2009



Source: 2009 Year-end Financial Report: Management's Discussion & Analysis, Fund, March 23, 2010.

Figure 4.3
The Fund Revenues by Geographic Locations - 2009



Source: 2009 Year-end Financial Report: Management's Discussion & Analysis, Fund, March 23, 2010.

In 2009, the Genivar Group was involved in 14,010 active projects which typically ranged between \$30,000 and \$40,000. No single-one project accounted for more than 4.0% of the revenues, which demonstrates the diversification of the Fund's project portfolio.

In 2009, the Genivar Group had more than 3,900 employees including managers, professionals, technicians, technologists and support staff in over 80 offices throughout Canada and the Caribbean. Most of the employees were working in Quebec (approximately 2,200 workers³). The Genivar Group's growth strategy is based on organic growth and acquisitions. The Genivar Group intends to reach 5,000 employees by the end of 2010. To achieve this goal, it made 37 acquisitions since 2006 and added 1,555 new employees to its workforce. With this strategy, the Genivar Group intends to:

- Be in a better position to capture economies of scales;
- Seek opportunities to undertake large and diverse assignments across new and broader geographic areas;
- Leverage its technical expertise; and
- Build durable relationships and increase scope of services provided to existing clients.

4.3 Risks Related to the Genivar Group's Activities

Achievement of the growth strategy is subject to risk factors. Here is a list of the most important risks related to Genivar Group's businesses:

- **Integration of Acquisitions:** The growth strategy depends in large part on acquisitions. Therefore, integrating acquired businesses is key to the group of Genivar LP;
- **Reputational Risk:** Revenues of Genivar LP depend on its relationships with its clients and its reputation for high-quality Engineering Services;
- **Reliance on Key Professionals:** Genivar Group's operations rely on the abilities, experience and efforts of its professionals. Its professionals have a significant reputation and several contacts in the industry;
- **Recruitment of Engineers:** To achieve its growth strategy, Genivar Group needs to attract, hire and retain sufficient qualified engineers. This element is particularly important considering significant shortage of engineers over the last years in Canada; and
- **Competition in the industry and cyclicity:** The engineering services industry is highly competitive and is composed of numerous entities. Genivar Group has large firm competitors that provide full-service Engineering Services. Small and medium sized regional firms or niche players are also competitors offering specific services.

Genivar Group's operations are also dependant on public infrastructure spending and private sector investment.

³ As at Dec. 2008, 2,200 employees were based in Quebec on a total number of 3,400 employees. Fund, Human Resources: it's all about passion and growth, Annual Report, 2008.

4.4 Financial Analysis

Since the Fund's first complete reported fiscal year in 2007, its consolidated revenues increased by 86% to reach \$478.0 million in 2009. From 2008 to 2009, revenues increased by 23.2%, of which 13.7% came as a result of the acquisitions completed during 2008 and 2009, and the remaining 9.5% was achieved through organic growth.

In 2009, earnings before interests, taxes, depreciation and amortization ("**EBITDA**") increased by 14.5% to \$78.6 million compared to \$68.6 million in 2008. EBITDA margin remained stable between 2006 and 2009 averaging 18.6%. The Fund consolidated operations have been profitable between 2006 and 2009, as illustrated by an average net margin of 6.2%. It generated a net income of \$31.1 million or \$2.06 per Unit in 2009, up by 20.4% over 2008 net income of \$25.8 million or \$1.95 per Unit.

On an aggregate distribution basis, the Fund distributed \$48.7 million or \$1.95 per Unit in 2009 compared to \$38.0 million or \$1.70 per Unit in 2008. Distributions based on an aggregate basis increased by 28.3% between 2008 and 2009.

The Fund's consolidated historical income statements for the partial period May 25, 2006 to December 31, 2006 and for subsequent years ended December 31 are summarized in Table 4.1.

Table 4.1
The Fund's Consolidated Historical Income Statements for the
Years Ended December 31 2006 to 2009

	Historical			
	2006*	2007	2008	2009
<i>(000) CAD</i>				
Revenues	109,781	257,205	387,803	477,924
Costs	68,876	156,556	225,695	279,241
Gross margin	40,905	100,649	162,108	198,683
% Gross margin	37.26%	39.13%	41.80%	41.57%
Expenses				
Marketing, general and administrative	23,063	57,819	95,898	116,867
Depreciation	1,245	2,893	4,705	6,287
Amortization of intangible assets	5,391	10,687	16,527	17,036
Net interest expense	404	1,528	2,198	1,813
Exchange loss	98	793	(2,256)	3,332
Earnings before income taxes and non-controlling interest	10,704	26,929	45,036	53,348
Incomes taxes	(211)	983	2,518	3,281
Earnings before non-controlling interest	10,915	25,946	42,518	50,067
Non-controlling interest	(4,571)	(10,651)	(16,703)	(18,974)
Net earnings and comprehensive income for the year	6,344	15,295	25,815	31,093
Net margin	5.78%	5.95%	6.66%	6.51%
EBITDA	25,989	42,160	68,609	78,569
EBITDA Margin	23.67%	16.39%	17.69%	16.44%
Fund's units distributions	6,622	15,500	23,080	31,016
Class B Exchangeable LP Unit distributions	1,924	4,493	6,836	8,441
Class C Exchangeable LP Unit distributions	2,848	6,149	8,043	9,227
Aggregate distributions, all units	11,394	26,142	37,959	48,684
Aggregate distributions, all units, per unit	0.60	1.30	1.70	1.95

Sources:

Génivar Income Fund, 2007 and 2009 Year-end financial reports, Management's Discussion & Analysis.
Fund Consolidated financial reports for the years ended from December 31, 2006 to December 31, 2009.
*2006 results are for approximately 7 months.

The Fund's consolidated balance sheet remained solid as at December 31, 2009 with a net cash position of \$51.9 million at year-end compared to \$14.7 million in 2008. Total assets increased to \$533.1 million in 2009, up by \$105.7 million from total assets of \$427.4 million in 2008. Working capital improved in 2009 with a working capital ratio of 2.16:1.00 compared to a working capital ratio of 1.47:1.00 in 2008. The Fund has a low historical indebtedness with an annual average debt to equity ratio of 0.04:1.00 between May 31, 2006 and December 31, 2009. The Fund finances most of its operations and acquisitions through public offerings. In October 2009, the Fund raised \$100.0 million in equity financing through a public offering of 3,809,500 units at a price of \$26.25 each.

As at December 31, 2009, the Fund had consolidated credit facilities totaling \$82.0 million that were maturing in 2012. A facility of \$80.0 million has been obtained for operations and for the financing of acquisitions. The term loan credit facility could also be used for the payment of

distributions to unitholders up to a maximum of \$10.0 million. The Fund also had a consolidated treasury credit facility of \$2.0 million to hedge itself against interest rate risks and foreign exchange risks. As at December 31, 2009, the Fund used \$0.4 million of its credit facility.

The Fund's consolidated historical balance sheets for the years ended from December 31, 2006 to December 31, 2009 are summarized in Table 4.2.

Table 4.2
The Fund's Consolidated Historical Balance Sheet for the Years
Ended December 31,

	Historical			
	2006	2007	2008	2009
<i>('000) CAD</i>				
Assets				
Current assets				
Cash and cash equivalents	8,186	12,855	14,709	51,887
Accounts receivable	51,445	75,016	115,443	143,256
Costs of anticipated profits in excess of billings	17,910	27,523	46,076	51,292
Prepaid expenses	708	1,069	2,230	4,710
Income taxes receivable	87	65	-	-
Advances to companies controlled by the non-controlling unitholder	105	20	-	-
Total	78,441	116,548	178,458	251,145
Property, plant and equipment	12,126	17,141	30,021	33,029
Intangible assets	41,834	45,585	78,453	100,167
Goodwill	116,437	126,698	140,450	148,756
Total assets	248,838	305,972	427,382	533,097
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	28,585	41,629	62,012	69,388
Balances of purchase prices payable	-	1,710	13,763	5,300
Advances payable to the non-controlling unitholder	8,763	224	-	-
Billings in excess of costs and anticipated profits	10,783	17,567	29,481	24,836
Income taxes payable	166	235	428	347
Future income tax liabilities	690	859	953	389
Distributions payable to unitholders	2,365	2,568	13,429	15,619
Short-term debt	-	-	1,662	330
Total	51,352	64,792	121,728	116,209
Balances of purchase prices payable	-	-	-	1,768
Bank advances	6,957	-	10,668	-
Long-term debt	-	-	222	5,670
Future income tax liabilities	1,734	1,923	1,044	3,695
Non-controlling interest	79,073	93,507	111,832	128,361
	87,764	95,430	123,766	139,494
Unitholders' Equity				
Fund units	110,000	146,233	179,636	275,065
Deficit	(278)	(483)	2,252	2,329
	109,722	145,750	181,888	277,394
Commitments and contingencies	248,838	305,972	427,382	533,097

Sources:

Fund Consolidated financial reports for the years ended from December 31, 2006 to December 31, 2009.

4.5 Genivar

Genivar is a holding company owning (at the Valuation Date), directly and indirectly, 9,060,387 exchangeable units of Genivar LP and 9,060,387 special voting units of the Fund. The exchangeable units of Genivar LP are exchangeable one for one for Units of the Fund. Economically, the combined owning of exchangeable units of Genivar LP and special voting units of the Fund is equivalent to owning Units of the Fund directly. Accordingly Genivar LP owns 33.35% of the Fund's Units.

Other than its investment in Genivar LP, Genivar has interests in subsidiaries that are all inactive as at Valuation Date and we understand from management that most of them are in the process of being wound up. Genivar has a December 30 year end.

Historically, the numerous acquisitions of the Genivar Group have been conducted through a two step process: Genivar would first acquire the shares of the acquired entity and then resell the net assets acquired to Genivar LP. Genivar would then remain with an empty shell which was subsequently liquidated within Genivar. As of December 30, 2009, Genivar Group had 441 active employee-owners. These employee-owners either came from acquired companies or have been invited to become shareholders based on such criteria as technical expertise, administrative skills, communication abilities and initiative.

Genivar also owns 100% of Genivar Construction Inc. ("**Construction Inc.**") and Genivar Construction Ltd. ("**Construction Ltd.**"), two construction companies with no active projects at the Valuation Date. Genivar exited the general contracting business in 2007 and has wound down its general contracting activities in Québec and Ontario. Consequently, the construction activities (Construction Inc. and Construction Ltd.) were presented as discontinued operations in the December 30, 2009 consolidated financial statements of Genivar.

As Genivar owns 100% of its subsidiaries, the financial analysis of Genivar can be conducted through its consolidated financial statements. As Genivar does not generate any significant earnings other than its share in earnings of Genivar LP, only Genivar's balance sheet is relevant. Other than its investment in Genivar LP, the assets and liabilities of Genivar are mainly working capital, balance payable to former shareholders and future tax liabilities. Table 4.3 presents Genivar's balance sheet as at December 30, 2008 and 2009.

Genivar and its construction subsidiaries are also subject to certain contingent liabilities pertaining to litigations associated with past construction activities. According to management and legal counsel to the Independent Committee, four of those litigations could eventually result in disbursements for Genivar. The risk of a significant disbursement is limited by the fact that the construction activities of Genivar were conducted through distinct legal entities, namely Construction Inc. and Construction Ltd. The FMV of those contingent liabilities will be discussed in the valuation section of this report.

Table 4.3
Genivar's Audited Consolidated Historical Balance Sheet for the Years
Ended December 30, 2008 and 2009

('000)CAD	2008	2009
Assets		
Current assets		
Cash	7,037	2,855
Accounts receivable	6,518	5,571
Current assets of discontinued operations	5,138	3,711
	18,693	12,137
Balances of sale and notes receivable	397	198
Advances to related entities	2,836	61
Investments in Genivar LP	63,957	87,265
Other investments	264	264
Property, plant and equipment	602	577
Other	13	11
	86,762	100,514
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	5,369	11,595
Income taxes payable, net of tax credits	4,229	2,930
Future income tax liabilities	4,806	5,448
Current liabilities of discontinued operations	5,609	2,884
	20,014	22,857
Balances payable to former shareholders	5,522	9,218
Future income tax liabilities	8,332	13,228
Non-controlling interest	183	-
Retractables preferred shares	6,218	286
	40,270	45,589
Shareholders' Equity		
Capital stock	42,099	44,319
Retained earnings	4,393	10,606
	46,493	54,925
	86,762	100,514

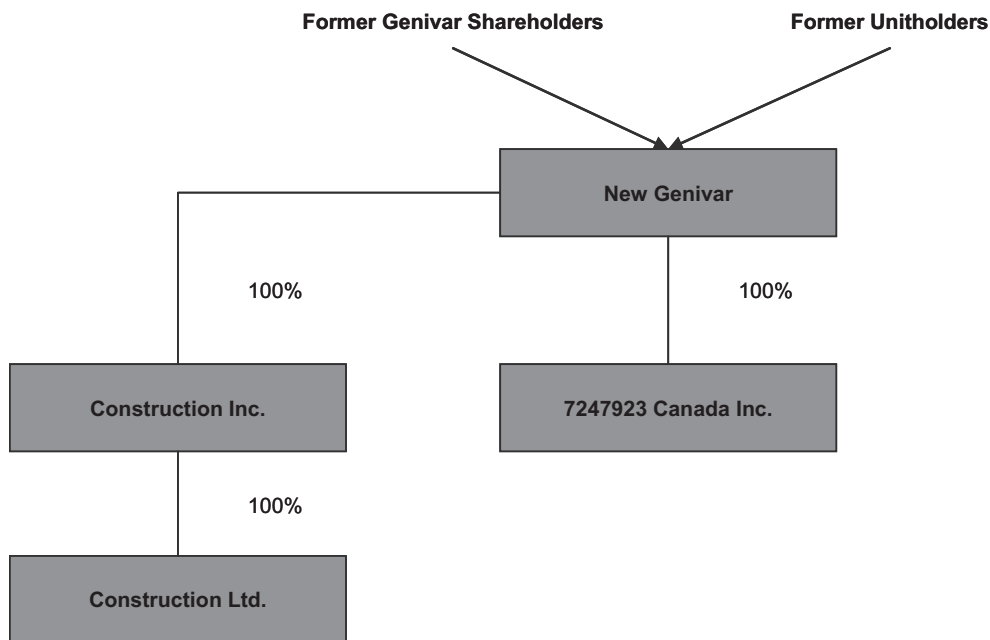
5. Description of the Proposed Transaction

The details of the Proposed Transaction are discussed at length in the Circular. The following briefly summarizes our understanding of the main steps and the resulting corporate structure associated with the Proposed Transaction. Our understanding of the benefits of the Proposed Transaction is also presented.

5.1 Principal Steps and Resulting Corporate Structure

According to the information provided by management in the Circular, the Proposed Transaction results in the reorganization of the Fund's income trust structure into New Genivar and the combination of Genivar with Genivar LP and Genivar GP Inc. ("**Genivar GP**"). On completion of the Proposed Transaction, the shareholders of Genivar and the public unitholders of the Fund will conjointly own 100% of New Genivar. The Fund and Genivar Operating Trust (the "**Trust**") will be liquidated in accordance with the Fund Declaration of Trust and the Trust Declaration of Trust. Genivar GP, Genivar LP, Genivar Consultants LP and Genivar Ontario Inc. will be liquidated and dissolved in accordance with their respective constituting documents⁴. Figure 5.1 illustrates the organizational structure of New Genivar immediately following the completion of the Proposed Transaction.

Figure 5.1
Organizational structure of New Genivar



⁴ Immediately prior to this transaction, Genifinance (2006) Inc. ("**Genifinance**"), a sister company to Genivar, will be merged with Genivar. The only net assets of Genifinance are intercompany balances with Genivar, which, upon consolidation, will be offset with the counter balances in Genivar.

6. Valuation Methodology

6.1 General

In valuing a business, there is no single standard or specific mathematical formula. The particular approach, and the factors to consider, will vary in each case. For the valuation of a privately-owned or closely-held business, there are three generally-accepted approaches that are traditionally adopted: (a) the Asset Approach, (b) the Income Approach, including methods there under such as Capitalized Cash Flows Method and Discounted Cash Flows Method, and (c) the Market Approach.

6.2 Asset Approach

The Asset Approach is adopted where either (a) liquidation is contemplated because the business is not viable as an ongoing operation, (b) the nature of the business is such that asset values constitute the prime determinant of corporate worth, or (c) there are no indicated earnings/cash flows to be capitalized.

If consideration of all relevant facts establishes that the Asset Approach is applicable, the methodology to be applied will be under a going-concern scenario (Adjusted Net Assets Method) or a liquidation scenario (on either a forced or orderly basis).

In applying the Adjusted Net Assets Method, each asset and liability appearing on the balance sheet is written up or down, as the case may be, to its respective current or FMV as of the Valuation Date, on a going-concern (as opposed to liquidation) basis. Corporate income taxes relating to the above adjustments are notionally accounted for to arrive at adjusted shareholders' equity on a net basis ("**Adjusted Net Assets Value**").

In applying the orderly liquidation approach, each asset and liability appearing on the balance sheet is written up or down, as the case may be, to its respective liquidation value as at the Valuation Date. Under this approach, consideration must be given to the cost of money over the period of liquidation and the risks associated with the liquidation. Frequently, these considerations are reflected in the various asset write-downs and assumed liquidation costs.

6.3 Income Approach

The Income (or Cash Flows) Approach is a general way of determining the value of a business (or its underlying assets), using one or more methods, by converting anticipated benefits to the present. This approach contemplates the continuation of the business operations.

These anticipated benefits are expressed in monetary terms. Depending on the nature of the business or assets, anticipated benefits may be reasonably represented by such items as net cash flows, dividends, and various forms of earnings. The benefits are estimated considering such items as the nature, capital structure and historical performance of the related business entity or assets, expected future outlook for the business entity and relevant industries, and associated economic factors.

Anticipated benefits are converted to value using procedures which consider the expected growth and timing of earnings (or cash flows), the risk profile of the benefits stream and the time value of

money. The conversion to value normally requires the determination of a capitalization rate or discount rate. In determining the appropriate rate, the valuator considers such factors, (listed in more detail below in Section 6.3.1), as interest rates, rates of return expected by investors on relevant investments, the risk characteristics of the anticipated benefits, etc.

Typically, the rate of return or discount rate used is consistent with the types of anticipated benefits used.

The earning power of a viable going concern is usually greater than the aggregate values of its individual tangible assets because of the value-in-use of the intangible and tangible assets viewed together.

The more common methodologies applied under the Income Approach are:

- Capitalizing operating earnings or cash flows, applying the Earnings Method or the Cash Flows Method;
- Discounting the future stream of benefits, applying either the Discounted Cash Flows (“DCF”) Method or the Discounted Future Earnings (“DFE”) Method; and
- Applying a multiple to gross revenues.

6.3.1 Earnings Method

Where there is a definite trend in the subject’s sales patterns and adjusted earnings, the normalized (maintainable) earnings are generally weighted (in order to place more emphasis on the most recent or indicative years) to arrive at a likely trend of annual, future (indicated) earnings.

These adjusted results are then capitalized by a price/earnings multiple in order to arrive at the going-concern value of the business and added thereto is the value of any redundant assets. The aggregate value represents the FMV of the entity as a whole, i.e., corporate worth.

The Earnings Method is a technique applied under the Income Approach. It is a two-variable process, requiring (a) an estimate of the subject’s earning power and (b) the selection of an appropriate capitalization rate to apply thereto. To value a business applying the Earnings Method, the reported (i.e., accounting) profits, usually for the last three to seven years, are analyzed and, where necessary, adjusted or normalized for valuation purposes to arrive at a representative level of likely, future maintainable earnings (“indicated earnings”), which represents the earning power of the business.

Multiple (Capitalization Rate)

The price/earnings multiple—or price/cash flows multiple—is a risk/reward factor; it is the inverse of the required rate of return (capitalization rate) a purchaser seeks on an investment in the business and indicates the rate at which investors are capitalizing earnings—or cash flows— per share at any given time. Hence, by applying a multiple to (i.e., by capitalizing) the indicated net earnings (or cash flows) of a business, there is a conversion of the anticipated stream of income over a period of future years into a capital sum at the beginning of such a period, at the purchaser’s required rate of return.

The quality of the income stream to be capitalized, i.e., the ability of the business to actually achieve the particular level of indicated earnings/cash flows, will have a direct bearing on the selection of the multiple. The greater the risk, the higher the rate of return required by the notional purchaser (and the lower the multiple).

In valuing the shares (or business) of a private or closely held corporation, comparison is made (if and where possible) with actual, open market sales of shares of companies in the same or similar line of business as the subject. While comparative sales are important, they must be viewed in the context of the facts and circumstances surrounding the particular transaction, the relationship between specific parties thereto, the consideration, the market and liquidity of the shares, accounting policies, and so forth.

Generally, in selecting a multiple (capitalization rate) to apply to the subject's indicated earnings or cash flow, a number of internal factors (relating to the company itself such as management, financial position, sales and profit trends, etc.) and external factors (relating to non-controllable factors of the company, such as interest rates, etc.) are considered, including:

Internal Factors	External Factors
<ul style="list-style-type: none"> ▪ Management depth, quality and expertise ▪ Existence of economic dependence on particular suppliers or customers ▪ Financial position of the entity ▪ Market position of services offered ▪ Ability of the entity to adapt to changing market situations ▪ Clientele, contacts, and relationships ▪ Employee satisfaction ▪ Technologies ▪ Quality of development team ▪ Ease in integrating acquisitions 	<ul style="list-style-type: none"> ▪ Prevailing general economic conditions ▪ Prevailing conditions in the financial markets including the foreign exchange impacts ▪ Anticipated growth level of the industry ▪ Level of competitive landscape ▪ The regulatory environment ▪ Consolidation in the market ▪ Competing technologies entering into the market

6.3.2 Cash Flows Method

A variation of the Earnings Method is the Cash Flows Method. Using this latter technique, cash flows (derived from the elimination of non-cash expenses such as depreciation and amortization) are substituted for earnings. As a notional purchaser in the marketplace is interested in the cash in-flows and out-flows of the business, capitalizing the discretionary cash flows can often be more reliable than capitalizing earnings in valuing a going concern, particularly when there have been substantial non-cash expenses recorded in arriving at net earnings for accounting purposes.

6.3.3 Discounted Cash Flows Method

The DCF approach is a present value calculation of future cash flow expectations. It involves an estimate of annual net discretionary cash flows for each year of the cash flow projection period. Where the business is expected to operate beyond the cash flow projection period, subsequent results are capitalized at the end of the cash flow period (residual value) and discounted to its

present value. Any redundant assets held by the business are assumed to be converted to cash and distributed at the beginning of the discounting period.

6.4 Market Approach

The Market Approach to valuation is a general way to determine the value of a business or an equity interest therein using one or more methods which compare the subject to similar businesses, business ownership interests and securities (investments) that have been sold. Examples of methods applied under this approach include (a) the Guideline Company Method (outlined below) and (b) analyses of prior transactions in the ownership of the subject company.

Adopting the Market Approach, using public data, an estimate of the price that would be paid for the common stock of a closely-held company is made assuming that the common stock was traded in an active market or on an exchange. This is done by analyzing the prices of stocks of publicly-traded companies that operate in the same industry as the company being appraised (i.e., comparable or guideline companies), as their stock prices most adequately reflect investors' expectations of return on investment of similar risk vis-à-vis the subject company. To the extent that the degree of risk of an investment in the subject company's common stock is different from that of the comparable or guideline companies, the valuator makes subjective adjustments to the market ratios to reflect such differences.

The Market Comparable or Guideline Company Method relies upon actual market transactions to provide objective, empirical data for use in business valuation. Similarly, financial and operating data of the comparable or guideline companies are also utilized and are adjusted in order to reflect, among other things, dissimilarities with respect to accounting conventions, minority or controlling interests and marketability.

6.4.1 Guideline Company Method

Guideline companies are companies which provide a reasonable basis for comparison to the relative investment characteristics of the entity being valued. Ideally, guideline companies operate in the same industry as the subject business. But if there is insufficient transactional evidence available in the same industry, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as size, markets, products, growth, cyclical variability and other salient factors.

It may sometimes be difficult to make direct comparisons between an appropriate rate of return for the subject company and that of similar public companies (as the financial conditions and the operations are not identical). Such comparisons may not be meaningful because of substantial variations in relation to a number of factors, including, as appropriate:

- Levels of integration and diversity;
- Size of business;
- Capital structure and leverage ability;
- Financial strength and condition;
- Nature of competition; and
- Growth potential; etc.

In selecting the particular guideline companies, the comparison between the subject company and the guideline candidates is made in a meaningful manner so as not to be misleading. Such comparisons are normally made through the use of valuation ratios. The computation and application of the valuation ratios are intended to provide significant insight concerning the pricing of the subject, considering all relevant factors.

Accordingly, care is exercised in:

- Selecting the underlying data used for the ratios;
- Selecting the time period and/or averaging method used for the underlying data;
- The manner of computing and comparing the subject's underlying data; and
- The timing of the price date used in the ratios.

6.4.2 Stock Market Approach

Where a company's shares are traded on a stock exchange (as in the case of the Shares), consideration may be given to the quoted prices of the shares on the Valuation Date, assuming that the shares are actively traded and the number of shares to be valued could be readily absorbed under existing market conditions without adversely affecting the market price and that the market has not anticipated the particular transaction giving rise to the valuation (such as a "fundamental corporate change" or going-private squeeze-out). However, as stock market prices or quotations do not necessarily represent the value of a company by reference to its assets and its earnings potential, the market quotation is not necessarily representative of the value of that portion of the company represented by each share; rather, the quoted price is the value of those shares to the holder of them. Furthermore, the basis of the value of shares held by the investing public (i.e. the basic forces that generally determine market price) includes, among other factors, future expectations of dividends, capital appreciation of the shares, short-term market trends, as well as alternative investment opportunities.

Situations in which the quoted stock market price at or around the Valuation Date may not represent value include, for example, (a) a large control block of listed shares, (b) a market that is thin, irregular or inactive, (c) a transient boom or sudden panic in the market, (d) inaccurate information, (e) manipulation of the shares, etc. Stock market prices generally relate to small, minority shareholdings of public company shares and discounted prices (i.e. discounted from pro rata en bloc value), reflecting the disadvantages typically inherent in a minority or lack-of-control position. For such reasons premiums are paid over and above stock market prices on the acquisition of control of public companies which are targeted in a takeover. (The premiums include a control factor and, in some cases, an amount in respect of perceived post-acquisition synergies.)

On the other hand, there may be situations in which the stock market has applied such an extremely high multiple of earnings in determining the prices at which relatively small numbers of shares are traded that the quoted price exceeds what a controlling shareholder could receive per share in a sale of an entire control block.

7. Valuation of the Units of the Fund

7.1 Selected Valuation Methodologies

The selection of a valuation methodology is predicated upon the entity's ability to operate as a going concern. Given the following applicable factors to the Fund, at the Valuation Date:

- The Fund has been generating positive consolidated profits and cash flows for several years; and
- We have identified 14 banks or securities firms that perform investment research coverage of the Fund and that forecast Genivar LP to grow its revenues and remain profitable over the foreseeable future.

We are of the view that for the purposes of determining the FMV of the Units the following approaches are appropriate and, therefore, have been considered:

- The market approach based on transactions in the open market; and
- The market approach based on guideline publicly-traded comparable companies.

7.2 Market Approach Based on Transactions in the Open Market

Units have been trading since May 2006 on the TSX. As such, the FMV of the Units of the Fund may be determined by analyzing the latest available information on stock market transactions. However, before concluding, we must assess whether transactions in the open market reasonably represent transactions concluded at FMV. Consequently, we analyzed a number of market statistics.

We first examined trading volume. Column [a] and [b] of Table 7.1 show the year and number of trading days per year since the Units started trading in May 2006. It shows that both 2006 and 2010 are incomplete trading-year periods. Column [c] shows the actual historical number of Units traded. Column [e] shows the annualized historical number of Units traded. The annualized number of Units traded does not differ for complete trading years (2007 to 2009). For the partial trading years (2006 and 2010), we have assumed 250 trading days on an annualized basis.

Table 7.1
Actual and Annualized Historical Number of Units Traded

Year	Actual Number of		Annualized Number of	
	Trading Days	Units Traded	Trading Days	Units Traded
[a]	[b]	[c]	[d]	[e]
2006	151	7,780,155	250	12,881,051
2007	252	7,024,169	252	7,024,169
2008	252	8,885,930	252	8,885,930
2009	251	12,763,660	251	12,763,660
2010	71	2,904,286	250	10,226,359

Source: Bloomberg.

Then, we calculated the number of Units traded on an annual basis as a percentage of annual average Units outstanding. We considered both basic Units outstanding and diluted Units outstanding. Columns [b] and [c] of Table 7.2 show the basic and diluted average number of Units outstanding for each year since the Fund became a publicly-traded entity. There is a great disparity between basic and diluted average number of Units outstanding. This is mainly due to the exchangeable LP Units held by Genivar which are convertible into Units and which, if converted, would represent approximately one third of all Units, post-conversion.

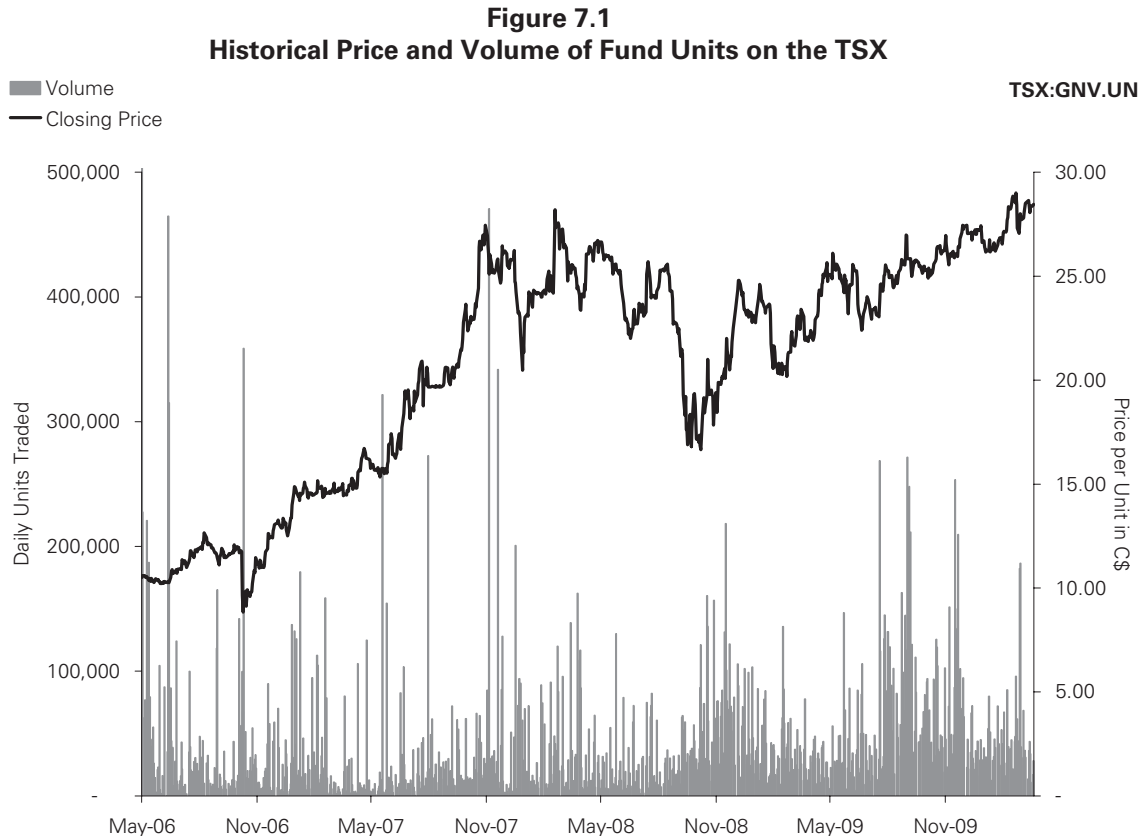
Table 7.2
Ratio of Traded Units to Outstanding Units

Year	Average Number of Units Outstanding		% of Average Number of Units Outstanding	
	Basic	Diluted	Basic	Diluted
[a]	[b]	[c]	[d]	[e]
2006	11,000,000	18,927,381	117.1%	68.1%
2007	11,543,532	19,635,498	60.8%	35.8%
2008	13,213,513	21,829,087	67.2%	40.7%
2009	15,071,186	24,131,573	84.7%	52.9%
2010	18,103,589	27,163,976	56.5%	37.6%

Sources: Bloomberg; Genivar Financials.

What can be inferred from Table 7.2 is that the Units are actively traded. During the fiscal and calendar year 2009, 84.7% and 52.9% of the basic and diluted average outstanding Units changed hands respectively. We are of the opinion that the volume of Units transacted on the TSX is such that the price of a Unit on the TSX represents its FMV for a non-controlling interest.

We also examined other statistics. Figure 7.1 shows the evolution of the price of the Units on the TSX from the Fund's initial public offering ("IPO") to the Valuation Date. We note that since the summer of 2007, the price of a Unit has generally been in a trading range of between \$17.50 and \$28.50. As of the Valuation Date, the price of a Unit was \$28.46.



In conclusion, all market statistics indicate that the price of a Unit on the TSX is representative of the FMV of a Unit.

7.3 Market Approach Based on Guideline Publicly-Traded Comparable Companies

Table 7.3 shows a number of ratios and statistics comparing the Fund to comparable publicly-traded companies. We have selected the comparable companies by:

- 1 Reviewing companies considered to be comparable to the Fund by equity research analysts of various equity research departments of Canadian banks and securities firms; and
- 2 Considering publicly-traded companies that are deemed to be the Fund's principal competitors as per the Fund's 2008 Annual Information Form.

We have divided the comparable companies into three groups: engineering, of which the Fund is a component; construction; and engineering and construction. The first two groups are composed of companies with similar size in terms of market capitalization and enterprise value ("EV") whereas the third group is composed mostly of larger multinational companies.

The indebtedness ratio of all three groups of companies is low or negative as many of the companies hold large sums of cash. The debt ratio of the Fund is somewhat similar to the debt ratio of its most comparable group of companies.

Most companies pay no dividend to their shareholders. Only three Canadian income funds pay significant dividends with dividend yields of 5.3%, 10.5%, and 5.3% for the Fund, IBI Income Fund, and Bird Construction Income Fund, respectively.

In terms of revenue growth, the Fund significantly outperformed the average revenue growth of all three groups of comparable companies for the three years prior to the Valuation Date. Compounded annual growth rate (“**CAGR**”) of revenue from 2006 to 2009 for the Fund was 36%. That compares with average revenue CAGR of 14%, 10%, and 15% for each of the respective groups of comparable companies.

The Fund is also more profitable than most of its peers. The Fund realized stable margins on EBITDA of approximately 17% for the three years leading to the Valuation Date. In comparison average and median margins hover around 10% for engineering companies and around 7% for construction companies and construction and engineering companies.

In terms of profitability, only IBI Income Fund and Stantec Inc. compare to the Fund. However, they have both generated lower revenue growth over the 2006-2009 period with revenue CAGR of 22% and 21% respectively.

Based on all of the above, the Fund may be characterized as a premium company and should be trading at a premium to its peers. Indeed, the Fund has an average size, low indebtedness, has shown its ability to deliver revenue growth significantly above that of its competitors, and relatively high EBITDA margin.

Looking at valuation multiples, we found that the Fund is trading at a premium to its peers. The Fund’s forward-looking EV/EBITDA ratios are approximately 7% to 18% above the average and median ratios of engineering companies. As illustrates Table 7.3, engineering companies are trading at higher multiples than construction and construction and engineering companies. This is reasonable since pure engineering companies generated higher profit margins. Additionally, companies undertaking construction take on more risk as they often bear the risk of cost overruns and frequently have an interest in projects which represents high initial fixed costs. Also, a higher percentage of their revenues are generated from a bidding process.

Price to earnings (“**P/E**”) ratios for the Fund are not a reliable valuation metric for the last twelve month (“**LTM**”) and the 2010 period because the Fund, under its current status, does not pay income taxes and many analysts making forecasts on the Fund’s net earnings have not taken income taxes into consideration before the fiscal year ending in 2011. On a 2011 P/E basis, the Fund still trades at a premium of approximately 20% to its engineering peers, 40% to its construction peers, and 5% to its construction and engineering peers. Considering the factors discussed above, we are of the opinion that this is justified.

Based on the foregoing and on the guideline publicly-traded comparables companies, we estimate that the price of a Unit on the TSX reasonably represents its FMV as at the Valuation Date.

Table 7.3
Comparable Publicly-Traded Companies

As at Apr. 14, 2010								
Company	Stock Symbol	Currency	Stock Price	Enterprise Value	Market Cap	Implied Net Debt	Net Debt/ EV	Dividend Yield
Engineering								
AECOM Technology Corporation	NYSE:ACM	USD	29.50	3,328.8	3,359.8	31.0	-0.9%	0.0%
ENGlobal Corp.	Nasdaq:ENG	USD	3.00	88.0	81.0	7.1	8.0%	0.0%
GENIVAR Income Fund	TSX:GNV.UN	CAD	28.46	725.6	771.5	45.9	-6.3%	5.3%
IBI Income Fund	TSX:IBG.UN	CAD	15.21	381.4	195.9	185.5	48.6%	10.5%
Michael Baker Corporation	AMEX:BKR	USD	35.39	201.6	311.2	109.6	-54.4%	0.0%
Stantec Inc.	TSX:STN	CAD	26.85	1,443.9	1,222.0	221.9	15.4%	0.0%
Tetra Tech Inc.	Nasdaq:TTEK	USD	22.77	1,332.7	1,403.2	70.5	-5.3%	0.0%
TRC Companies Inc.	NYSE:TRR	USD	2.80	65.0	54.2	10.8	16.6%	0.0%
Average				945.9	924.8		2.7%	2.0%
Median				553.5	541.3		3.5%	0.0%
Construction								
Aecon Group Inc.	TSX:ARE	CAD	13.62	946.9	776.8	170.1	18.0%	1.5%
Bird Construction Income Fund	TSX:BDT.UN	CAD	33.49	261.6	477.0	215.4	-82.4%	5.3%
Churchill Corp.	TSX:CUQ	CAD	19.25	155.4	339.0	183.6	-118.2%	0.0%
EMCOR Group Inc.	NYSE:EmE	USD	25.94	1,180.9	1,702.9	522.0	-44.2%	0.0%
Granite Construction Incorporated	NYSE:GVA	USD	32.20	1,139.6	1,233.1	93.5	-8.2%	1.6%
Seacliff Construction Corp.	TSX:SDC	CAD	13.93	228.5	306.0	77.5	-33.9%	1.7%
Tutor Perini Corporation	NYSE:TPC	USD	23.29	869.3	1,101.5	232.2	-26.7%	0.0%
Average				683.2	848.1		-42.2%	1.4%
Median				869.3	776.8		-33.9%	1.5%
Engineering & Construction								
Chicago Bridge & Iron Company N.V.	NYSE:CBI	USD	24.62	2,242.4	2,424.2	181.8	-8.1%	0.7%
SNC Lavalin Group Inc.	TSX:SNC	CAD	51.75	9,206.7	7,747.3	1,459.4	15.9%	1.3%
Fluor Corporation	NYSE:FLU	USD	51.69	7,005.1	9,139.8	2,134.7	-30.5%	1.0%
Foster Wheeler AG	Nasdaq:FWLT	USD	30.46	3,095.4	3,834.6	739.2	-23.9%	0.0%
Jacobs Engineering Group Inc.	NYSE:JEC	USD	47.86	4,963.5	5,898.9	935.4	-18.8%	0.0%
KBR, Inc.	NYSE:KBR	USD	23.42	2,764.2	3,697.2	933.0	-33.8%	0.9%
McDermott International Inc.	NYSE:MDR	USD	28.25	5,642.3	6,442.7	800.4	-14.2%	0.0%
Shaw Group Inc.	NYSE:SHAW	USD	35.69	2,198.1	2,993.5	795.4	-36.2%	0.0%
URS Corporation	NYSE:URS	USD	50.73	4,402.8	4,304.5	98.3	2.2%	0.0%
Average				4,613.4	5,164.8		-16.4%	0.4%
Median				4,402.8	4,304.5		-18.8%	0.0%

[1] Genivar Income Fund on a fully diluted basis.
Sources: Capital IQ; Bloomberg, Banks and Securities Firms' Reports.

Company	Actual					Forecast		
	2006	2007	2008	2009	CAGR	2010	2011	CAGR
Engineering								
AECOM Technology Corporation	43%	24%	23%	18%	21%	12%	6%	9%
ENGlobal Corp.	30%	20%	36%	-30%	4%	11%	5%	8%
GENIVAR Income Fund	n/a	37%	51%	23%	36%	14%	7%	10%
IBI Income Fund	54%	10%	49%	10%	22%	9%	9%	9%
Michael Baker Corporation	12%	12%	-4%	-36%	-12%	4%	9%	7%
Stantec Inc.	35%	17%	36%	10%	21%	8%	12%	10%
Tetra Tech Inc.	5%	6%	23%	11%	13%	3%	10%	6%
TRC Companies Inc.	8%	8%	5%	-5%	2%	n/a	n/a	n/a
Average	27%	17%	27%	0%	14%	9%	8%	8%
Median	30%	15%	29%	10%	17%	9%	9%	9%
Construction								
Aecon Group Inc.	-1%	34%	26%	20%	27%	14%	8%	11%
Bird Construction Income Fund	19%	43%	37%	-15%	19%	1%	10%	5%
Churchill Corp.	11%	39%	15%	-29%	4%	19%	6%	12%
EMCOR Group Inc.	7%	21%	14%	-18%	4%	-9%	6%	-1%
Granite Construction Incorporated	12%	-8%	-2%	-27%	-13%	-5%	13%	4%
Seacliff Construction Corp.	4%	5%	15%	15%	12%	12%	5%	8%
Tutor Perini Corporation	76%	52%	22%	-9%	19%	-29%	-3%	-17%
Average	18%	27%	18%	-9%	10%	0%	7%	3%
Median	11%	34%	15%	-15%	12%	1%	6%	5%
Large Construction & Engineering								
Chicago Bridge & Iron Company N.V.	38%	40%	36%	-23%	13%	-8%	16%	3%
SNC Lavalin Group Inc.	49%	31%	6%	-14%	6%	9%	7%	8%
Fluor Corporation	7%	19%	34%	-2%	16%	-7%	6%	-1%
Foster Wheeler AG	59%	46%	34%	-26%	13%	-2%	9%	3%
Jacobs Engineering Group Inc.	32%	14%	33%	2%	16%	-14%	6%	-4%
KBR, Inc.	-6%	-2%	33%	5%	11%	-15%	-2%	-9%
McDermott International Inc.	124%	37%	17%	-6%	15%	-5%	10%	2%
Shaw Group Inc.	46%	20%	22%	4%	15%	-2%	9%	3%
URS Corporation	9%	27%	87%	-8%	30%	3%	7%	5%
Average	40%	26%	34%	-8%	15%	-5%	7%	1%
Median	38%	27%	33%	-6%	15%	-5%	7%	3%

[1] Genivar Income Fund on a fully diluted basis.
Sources: Capital IQ; Bloomberg, Banks and Securities Firms' Reports.

Company	EBITDA Margin					
	2006	2007	2008	2009	2010	2011
Engineering						
AECOM Technology Corporation	4%	4%	5%	6%	7%	8%
ENGlobal Corp.	0%	9%	7%	2%	3%	6%
GENIVAR Income Fund	16%	17%	17%	17%	17%	17%
IBI Income Fund	18%	19%	18%	16%	19%	19%
Michael Baker Corporation	3%	5%	7%	8%	8%	9%
Stantec Inc.	16%	14%	14%	14%	14%	14%
Tetra Tech Inc.	9%	9%	10%	11%	10%	11%
TRC Companies Inc.	-9%	0%	-3%	-4%	n/a	n/a
Average	7%	10%	10%	9%	11%	12%
Median	6%	9%	9%	9%	10%	11%
Construction						
Aecon Group Inc.	3%	5%	6%	6%	6%	6%
Bird Construction Income Fund	5%	7%	7%	9%	7%	7%
Churchill Corp.	3%	4%	6%	8%	7%	7%
EMCOR Group Inc.	3%	4%	5%	6%	5%	5%
Granite Construction Incorporated	6%	9%	11%	10%	9%	10%
Seacliff Construction Corp.	2%	6%	5%	6%	8%	8%
Tutor Perini Corporation	3%	3%	4%	5%	5%	7%
Average	3%	6%	7%	7%	7%	7%
Median	3%	5%	6%	6%	7%	7%
Large Construction & Engineering						
Chicago Bridge & Iron Company N.V.	6%	5%	1%	8%	9%	9%
SNC Lavalin Group Inc.	6%	4%	9%	12%	11%	11%
Fluor Corporation	4%	5%	5%	6%	5%	5%
Foster Wheeler AG	9%	10%	9%	10%	9%	9%
Jacobs Engineering Group Inc.	5%	6%	6%	6%	5%	6%
KBR, Inc.	2%	3%	5%	5%	5%	6%
McDermott International Inc.	10%	14%	10%	11%	12%	13%
Shaw Group Inc.	3%	2%	5%	5%	5%	6%
URS Corporation	6%	5%	5%	6%	7%	7%
Average	6%	6%	6%	8%	8%	8%
Median	6%	5%	5%	6%	7%	7%

[1] Genivar Income Fund on a fully diluted basis.

Sources: Capital IQ; Bloomberg, Banks and Securities Firms' Reports.

Company	EV/EBITDA			P/E		
	LTM	2010	2011	2009	2010	2011
Engineering						
AECOM Technology Corporation	9.7 x	7.4 x	6.0 x	17.1 x	14.8 x	13.0 x
ENGlobal Corp.	11.3 x	7.0 x	3.7 x	nmf	15.4 x	8.5 x
GENIVAR Income Fund	8.9 x	7.8 x	7.1 x	15.4 x	12.2 x	14.4 x
IBI Income Fund	8.6 x	6.9 x	6.2 x	20.1 x	10.1 x	9.5 x
Michael Baker Corporation	5.7 x	5.2 x	4.6 x	11.7 x	13.9 x	12.2 x
Stantec Inc.	8.0 x	7.7 x	6.9 x	22.0 x	12.6 x	11.0 x
Tetra Tech Inc.	8.9 x	9.0 x	8.0 x	16.0 x	20.3 x	17.3 x
TRC Companies Inc.	neg	n/a	n/a	neg	n/a	n/a
Average	8.7 x	7.3 x	6.1 x	17.1 x	14.2 x	12.3 x
Median	8.9 x	7.4 x	6.2 x	16.5 x	13.9 x	12.2 x
Construction						
Aecon Group Inc.	7.4 x	6.5 x	5.6 x	16.9 x	13.4 x	11.1 x
Bird Construction Income Fund	3.4 x	4.2 x	3.7 x	8.3 x	8.8 x	9.3 x
Churchill Corp.	3.1 x	3.0 x	2.8 x	9.9 x	9.4 x	9.2 x
EMCOR Group Inc.	3.6 x	4.5 x	4.1 x	10.9 x	14.7 x	12.0 x
Granite Construction Incorporated	5.7 x	6.5 x	5.3 x	17.0 x	24.3 x	14.3 x
Seacliff Construction Corp.	6.7 x	4.6 x	4.3 x	13.4 x	10.3 x	9.4 x
Tutor Perini Corporation	3.5 x	4.4 x	3.7 x	8.3 x	10.5 x	8.9 x
Average	4.8 x	4.8 x	4.2 x	12.1 x	13.0 x	10.6 x
Median	3.6 x	4.5 x	4.1 x	10.9 x	10.5 x	9.4 x
Large Construction & Engineering						
Chicago Bridge & Iron Company N.V.	6.2 x	6.0 x	5.1 x	13.7 x	13.5 x	11.3 x
SNC Lavalin Group Inc.	12.5 x	12.2 x	11.3 x	21.9 x	21.3 x	18.8 x
Fluor Corporation	5.4 x	6.5 x	6.2 x	13.8 x	17.4 x	15.8 x
Foster Wheeler AG	6.3 x	7.2 x	6.6 x	11.1 x	12.7 x	11.1 x
Jacobs Engineering Group Inc.	7.0 x	9.2 x	8.5 x	14.9 x	20.5 x	18.2 x
KBR, Inc.	4.9 x	5.1 x	4.7 x	13.1 x	14.3 x	12.8 x
McDermott International Inc.	8.6 x	7.9 x	6.6 x	17.1 x	14.9 x	12.5 x
Shaw Group Inc.	6.2 x	5.9 x	5.1 x	nmf	22.7 x	13.9 x
URS Corporation	8.1 x	7.0 x	6.5 x	15.4 x	14.9 x	13.6 x
Average	7.2 x	7.4 x	6.8 x	15.1 x	16.9 x	14.2 x
Median	6.3 x	7.0 x	6.5 x	14.3 x	14.9 x	13.6 x

[1] Genivar Income Fund on a fully diluted basis.

Sources: Capital IQ; Bloomberg, Banks and Securities Firms' Reports.

7.4 Conclusion

As stated above, we are of the opinion that the FMV of the Units is reasonably represented by the price of the Units traded on the TSX. The first part of Table 7.4 shows the average, low, and high closing and volume weighted average price (“VWAP”) trading prices on the TSX for the ten trading days prior to the Valuation Date.

Based on the above analysis, the restrictions and assumptions noted herein, we have concluded that, as at the Valuation Date, the FMV of each Unit is between \$28.00 and \$28.75. As illustrated by the second part of Table 7.4, this equals to a total FMV for all of the Units (on a fully-diluted basis) of between \$761 million and \$781 million.

Table 7.4
Determination of FMV

	Last 10 Days Units Trading Prices		
	Average	Low	High
Closing Price	28.41	28.06	28.64
VWAP	28.33	28.05	28.61
From:	31-Mar-10	=	Last 10
To:	14-Apr-10		Trading Days

	FMV		
	Publicly-Owned Units	Genivar LP Units	Total
Selected FMV Range			
Low	28.00	28.00	28.00
High	28.75	28.75	28.75
Outstanding	18,103,589	9,060,387	27,163,976
Market Value (CAD millions)			
Low	506.9	253.7	760.6
High	520.5	260.5	781.0

Source: Bloomberg; Genivar's Financial Reports.

8. Valuation of the Shares

8.1 Introduction

The FMV of the Shares represents the aggregate value of the FMV of the Units (including the Units held by the public and the Units indirectly held by Genivar) and of the FMV of the net assets of Genivar to be transferred to New Genivar upon the completion of the Proposed Transaction.

Section 7 presented the FMV of the Units. The following section presents the determination of the Adjusted Net Assets Value of Genivar and is followed by a conclusion on the aggregate FMV of the Units of the Fund and the Adjusted Net Assets Value of Genivar which represents the pro forma FMV of the Shares (Section 9).

8.2 Selected Valuation Methodology

In assessing the Adjusted Net Assets Value of Genivar in order to arrive at the FMV of the Shares on a pro forma basis, KPMG has applied a going-concern assumption and employed the Adjusted Net Assets Value approach for the following reasons:

- As at the Valuation Date, Genivar is a holding company with no active operations; and
- As at the Valuation Date, Construction Inc. and Construction Ltd., the only previously operating subsidiaries of Genivar had ceased all operations.

8.3 Adjusted Net Asset Approach

Tables 8.1 to 8.5 present the details of Genivar's consolidated balance sheet as at December 30, 2009 by category of assets and liabilities, namely working capital, long lived assets, long term liabilities, discontinued operations and contingent liabilities. Table 8.6 presents a summary of the Adjusted Net Assets Value of Genivar.

The starting point was the consolidated balance sheet of Genivar as at December 30, 2009. The adjustments required to arrive at the FMV of each asset and liability of Genivar as at the Valuation Date are also presented on Tables 8.1 to 8.5. The following three types of adjustments have been made (each type represents a separate column on Tables 8.1 to 8.5):

- FMV adjustments: To adjust the accounting book value ("BV") to FMV;
- Timing adjustments: To reflect the variation in value, and the transactions that occurred between December 31, 2009 and the Valuation Date; and
- Pro forma adjustments: To adjust or reclassify assets and liabilities that will be eliminated or affected by the Proposed Transaction.

8.3.1 Working Capital

Table 8.1 presents de details of Genivar's working capital as at Valuation Date:

**Table 8.1
Adjusted Working Capital**

('000) CAD	BV 30-Dec-09	FMV Adjustment		Timing Adjustment (Dec 31, 2009 to April 15, 2010)	Proforma Adjustment (Post Transaction)	FMV (at Valuation Date)	
		Low	High			Low	High
Working Capital							
Current assets							
Cash	1,455	-	-	5,026	-	6,481	6,481
Cash held in trust	1,400	-	-	-	-	1,400	1,400
Accounts receivable							
Trade receivables	5	-	-	-	-	5	5
Subscription receivable	114	-	-	(114)	-	-	-
Distributions receivable	5,210	-	-	(4,077)	-	1,133	1,133
Prepaid expenses	26	-	-	(9)	-	17	17
Notes receivable from shareholders (bearing interest at prime rate + 0,25%, payable in 2009)	12	-	-	-	-	12	12
Short term portion of notes receivable from former shareholders (bearing interest at prime rate)	205	-	-	-	-	205	205
Total current assets	8,426	-	-	827	-	9,253	9,253
Current liabilities							
Short term borrowing	-	-	-	-	(1,276)	(1,276)	(1,276)
Accounts payable and accrued liabilities							
Trade payables and accrued liabilities	(438)	-	-	(37)	-	(475)	(475)
Advances payable to Genivar LP (bearing interest at prime rate)	(3,463)	-	-	2,186	1,276	-	-
Dividends payable	-	-	-	(2,149)	-	(2,149)	(2,149)
Balances of purchase price payable	(229)	-	-	1	-	(228)	(228)
Short term portion of balances payable to former shareholders (bearing interest at prime rate)	(7,401)	-	-	(430)	-	(7,832)	(7,832)
Notes payable to Genifinance	(63)	-	-	-	63	-	-
Income taxes payable, net of tax credits	(2,930)	-	-	(1,380)	-	(4,311)	(4,311)
Future income tax liabilities	(5,448)	-	-	-	-	(5,448)	(5,448)
Total current liabilities	(19,973)	-	-	(1,809)	63	(21,719)	(21,719)
Working Capital, excluding discontinued operation	(11,547)	-	-	(982)	63	(12,466)	(12,466)

FMV Adjustments:

Given the short term and liquid nature of the assets and liabilities composing the working capital of Genivar, no FMV adjustment is required since the BV of these short term assets and liabilities properly reflects their realizable value. It should also be noted that for assets and liabilities for which the short term portion is presented separately from the long term portion, the required adjustments, if any, are presented on the long term portion.

Timing Adjustments:

The timing adjustments reflect transactions between December 31, 2009 and the Valuation Date at FMV. For working capital, these adjustments are based on Genivar's March 1, 2010 internal financial statements and on discussions with management. Management has specifically represented that no significant transaction⁵ occurred between March 1, 2010 and the Valuation Date that would have significantly impacted the net working capital balance except for the balance payable to former shareholders and distributions receivable for which additional variations have been communicated and reflected in this section.

⁵ Materiality level considered is \$25,000.

Pro forma Adjustments:

For working capital, the pro forma adjustments are as follows:

- As the advance due to Genivar LP will be paid prior to the Proposed Transaction, this amount is reclassified as short term borrowing; and
- The intercompany balances between Genivar and Genifinance offset each other and are eliminated following the Proposed Transaction.

8.3.2 Long Lived Assets

Table 8.2 presents details of Genivar's adjusted long live assets as at the Valuation Date:

**Table 8.2
Adjusted Long Lived Assets**

('000) CAD	BV 30-Dec-09	FMV Adjustment		Timing Adjustment (Dec 31, 2009 to April 15, 2010)	Proforma Adjustment (Post Transaction)	FMV (at Valuation Date)	
		Low	High			Low	High
Long lived assets							
Long term portion of notes receivable from former shareholders (bearing interest at prime rate)	198	(11)	(8)	-	-	188	190
Advances to Genifinance	61	-	-	-	(61)	-	-
Investment in Genivar LP	87,265	-	-	-	(87,265)	-	-
Investment CO ₂ Solution inc.	264	10	28	-	-	274	292
Other equity investments	0	(0)	(0)	-	-	-	-
Contingent earn-out (Borea Construction, net of taxes)	-	400	400	-	-	400	400
Property, plant and equipment							
Land, buildings and building improvement (net of government assistance)	573	677	677	-	-	1,250	1,250
Furniture and equipment	5	-	-	-	-	5	5
Total - Long lived assets	88,365	1,076	1,097	-	(87,326)	2,116	2,137

The long lived assets have been adjusted as follows:

FMV Adjustments:

- The notes receivable from former shareholders bear interest at prime rate. It should be noted that Genivar has amounts due to former shareholders. These notes receivable represent advance payments (before their due date) on these payables; hence they partially offset the payables. Accordingly we have adjusted those amounts to reflect their FMV by adjusting the required rate of return using the same rate as for the balances payable. The applicable market rate of return is discussed in Section 8.3.3 of this report and the details of our calculations are presented at Table 8.2.1.

Table 8.2.1
FMV of Notes Receivable from Shareholders

('000)CAD	2010	2011
Balance	403	198
Capital payments	205	198
Effective rate (prime rate)	2.25%	2.25%
Interest payments	4	4
Total expected payment	209	203
FMV - High		
Discount rate (Prime + 0.5%)	2.75%	2.75%
Discount Period	1	2
Discount Factor	0.973	0.947
Discounted notes	395	192
FMV - Low		
Discount rate (Prime + 1.0%)	3.25%	3.25%
Discount Period	1	2
Discount Factor	0.969	0.938
Discounted notes	392	190

- Genivar owns 1,824,160 common shares of CO₂ Solutions Inc. ("CO₂"), a new-technology public corporation. The shares of CO₂ are traded on the TSX Venture under the symbol CST.V. Table 8.2.2 presents the trading statistics of CO₂ between 2006 and the Valuation Date. For 2009 and 2010 respectively, the VWAP has been \$0.179 and \$0.187. The closing price as at Valuation Date was \$0.20. Based on the number of shares owned by Genivar and on the average trading volume of the past two years, we have estimated that Genivar would require approximately two years to liquidate its position without affecting the market price. Accordingly we have estimated the FMV of Genivar's investment in CO₂ between \$0.15 and \$0.16 per share by applying a 20% discount to the market price (ranging between \$0.18 and \$0.20 as discussed above).

Table 8.2.2
CO₂ Solution Trading Statistics

Year	Actual Number of		Year	Basic and Diluted Average Number of Shares Outstanding	Shares Traded as a Percentage of Shares Outstanding	Year	VWAP	% diff. from VWAP
	Trading Days	Shares Traded						
[a]	[b]	[c]	[e]	[e]	[f] = [c]-[e]	[g]	[h]	[i]
2006	231	4,978,086	2006	29,544,940	16.8%	2006	0.345	72.6%
2007	240	11,963,056	2007	35,055,364	34.1%	2007	0.514	156.9%
2008	215	4,804,531	2008	50,261,136	9.6%	2008	0.195	(2.5)%
2009	210	4,483,296	2009	51,130,701	8.8%	2009	0.179	(10.4)%
2010	65	1,463,849	2010	51,261,136	2.9%	2010	0.187	(6.4)%
						4/14/2010	0.200	-

2006, 2007 year-end at June 30th.
2008, 2009 for six months ending December 30th.
2010 for nine months ending March 31, 2010.

14/04/2010: VWAP = closing price.

- In 2008, Genivar sold a 50% interest in a company named Borea Construction for a compensation that included a contingent consideration. Following our review of the earn-out agreement associated with this transaction and based on discussions with management, we estimated the FMV of this contingent asset to be approximately \$600,000, \$400,000 after income taxes.
- Through a fully owned subsidiary, Genivar owns the building in which Genivar Group offices are located in Chicoutimi, Québec. Management has provided us with an appraisal report

from *Brisson, Tremblay, Fleury et Associés, Évaluateurs Agréés*⁶ as at March 15, 2010 for that property. This report concludes on a FMV of \$1,250,000 for the property. We have adjusted the BV to reflect that value (assuming that the FMV of the building has not changed between March 15, 2010 and the Valuation Date). The future taxes associated with a notional disposition of the building at FMV are discussed in Section 8.3.3 of this report.

Pro Forma Adjustments:

- The intercompany balances between Genivar and Genifinance offset each other and will be eliminated following the Proposed Transaction.
- The investment in Genivar LP will be eliminated following the Proposed Transaction. The FMV of the investment of Genivar in Genivar LP is considered within the valuation of the Units and does not affect the Adjusted Net Assets Value.

8.3.3 Long Term Liabilities

The long term liabilities have been adjusted as follows:

**Table 8.3
Adjusted Long Term Liabilities**

('000) CAD	BV 30-Dec-09	FMV Adjustment		Timing Adjustment (Dec 31, 2009 to April 15, 2010)	Proforma Adjustment (Post Transaction)	FMV (at Valuation Date)	
		Low	High			Low	High
Long term liabilities							
Long term portion of balances payable to former shareholders (bearing interest at prime rate)	(9,218)	232	460	(6,523)	-	(15,509)	(15,281)
Future income tax liabilities							
Associated with the trapped-in capital gain related to the investment in Genivar LP	(13,111)	-	-	-	13,111	-	-
Prorata share of Genivar LP timing differences (net)	(108)	-	-	-	108	-	-
Associated with the trapped-in capital gain related to the investment CO2 Solution inc.	-	(2)	(5)	-	-	(2)	(5)
Associated with the trapped-in capital gain related to Land and Buildings	-	(160)	(160)	-	-	(160)	(160)
Redeemable or retractable preferred shares	(286)	-	-	(1,578)	-	(1,864)	(1,864)
Total - Long term liabilities	(22,724)	70	294	(8,101)	13,220	(17,535)	(17,310)

FMV Adjustments:

- The balances due to former shareholders are payable over a four-year period and bear interest at prime rate. To determine the market rate of return on these balances, we had regard to the following. A few months prior to the Valuation Date, Genivar had been presented with a term sheet from *BMO Banque de Montréal* ("**BMO**") for short term borrowing facilities totaling \$24 million with a proposed interest rate at prime +0.50% (comprised of a \$10 million demand loan and a contingency line of \$14 million to pay shareholder loans). Management has the intention to accept the terms proposed by BMO. As this credit facility is senior to the balances payable to former shareholders, the market rate associated with these long term payables is necessarily equal to or above prime +0.50%. Accordingly, we have calculated a range of FMV for this liability using rates of return ranging between prime

⁶ Management has confirmed that *Brisson, Tremblay, Fleury et Associés, Évaluateurs Agréés* is independent of Genivar, the Fund and their subsidiaries.

+0.50% and prime +1.0%. We have used the effective prime rate of 2.25% at the Valuation Date and have assumed no variation over time. The details of our calculations are presented on Table 8.3.1.

Table 8.3.1
FMV of balances payable to former shareholders

	2010	2011	2012	2013
Balance	23,573	15,741	7,098	2,174
Capital payments	7,832	8,643	4,924	2,174
Effective rate (prime rate)	2.25%	2.25%	2.25%	2.25%
Interest payments	530	354	160	49
Total payments	8,362	8,997	5,084	2,223
FMV - High				
Discount rate (Prime + 0.5%)	2.75%	2.75%	2.75%	2.75%
Discount Period	1	2	3	4
Discount Factor	0.973	0.947	0.922	0.897
Discounted balances payable	23,341	8,138	8,522	4,686
FMV - Low				
Discount rate (Prime + 1.0%)	3.25%	3.25%	3.25%	3.25%
Discount Period	1	2	3	4
Discount Factor	0.969	0.938	0.909	0.880
Discounted balances payable	23,113	8,099	8,439	4,619

- The FMV of the notional taxes that would be payable in the event of a disposition of CO₂ shares at FMV are fully considered and are based on Genivar's effective federal and provincial blended tax rate of 33.35%.
- The FMV of the notional taxes on a notional disposition of the Chicoutimi building are also fully considered, including recapture and are calculated using the same 33.35% tax rate.

Timing Adjustments:

- The preferred shares have been adjusted to reflect issuances that occurred between December 31, 2009 and the Valuation Date.

Pro Forma Adjustments:

- The long term future taxes on the books of Genivar are directly related to its investment in Genivar LP:
 - The amount of \$13.111 million represents the notional taxes between the BV and the adjusted cost base ("**ACB**") for tax purposes of that investment. Following the Proposed Transaction, this notional liability will not be supported by New Genivar as the investment will be eliminated. The ACB will flow through to the former shareholders of Genivar; and
 - The amount of \$0.1 million represents the share of Genivar in the future taxes (due to timing differences) of Genivar LP. This liability is already reflected in the consolidated financial statements of the Fund and will be effectively eliminated (from Genivar) by the Proposed Transaction.

8.3.4 Discontinued Operations

The discontinued operations represent the assets and liabilities of Construction Inc. and Construction Ltd.

**Table 8.4
Adjusted Discontinued Operations**

('000) CAD	BV 30-Dec-09	FMV Adjustment		Timing Adjustment (Dec 31, 2009 to April 15, 2010)	Proforma Adjustment (Post Transaction)	FMV (at Valuation Date)	
		Low	High			Low	High
Discontinued operations							
Current assets of discontinued operations	3,711	(350)	(280)	-	-	3,361	3,431
Long-term assets of discontinued operations	3	-	-	-	-	3	3
Current liabilities of discontinued operations	(2,884)			-	-	(2,884)	(2,884)
Total - Discontinued operations	831	(350)	(280)	-	-	481	551

FMV Adjustments:

- We have obtained the details of the current assets and liabilities of Construction Inc. and Construction Ltd. In both cases, the current liabilities are mainly accounts payable. Construction Inc.'s current assets are composed of cash and accounts receivable that represent in nature withheld amounts related to construction projects subject to litigation. The provisions needed on those amounts are discussed in Section 8.3.5 of this report.
- Construction Ltd.'s current assets are almost exclusively composed of withheld amounts in relation to a specific project subject to litigation. The parties involved have reached to an agreement whereby Construction Ltd. has agreed to receive the amount due of approximately \$3.2 million as follows:
 - \$1.8 million to be paid between April and June 2010; and
 - \$1.4 million to be converted into a promissory note to be paid over a six-year period (ending in 2016) and bearing interest at prime +2.0%. According to the terms of the promissory note, Construction Ltd. will receive monthly payments of \$10,000 (covering capital and interest) and a final payment in February 2016. Based on discussions with the management, we understand that the debtor is a charitable organization with significant collection risk. Accordingly, we have estimated that a provision representing between 20% and 25% of this amount is required to reflect the FMV of this asset. Therefore, we have applied an adjustment ranging between \$280,000 and \$350,000.

8.3.5 Contingencies

**Table 8.5
FMV of Contingencies**

('000) CAD	BV 30-Dec-09	FMV Adjustment		Timing Adjustment (Dec 31, 2009 to April 15, 2010)	Proforma Adjustment (Post Transaction)	FMV (at Valuation Date)	
		Low	High			Low	High
Contingencies							
Potential liabilities associated with legal proceedings	-	(375)	(100)	-	-	(375)	(100)
Total - Discontinued operations	-	(375)	(100)	-	-	(375)	(100)

According to the summary due diligence review of Stikeman (based on discussions with management) there were seven litigations involving Genivar or its subsidiaries as at the Valuation Date. After discussion with Genivar's internal legal counsel and management it was concluded that the following four litigations require provisions (for legal costs and/or settlement):

- *Cammac v. Construction Inc. et al.*: Music Pavilion affected by mechanical and electrical issues as well as wastewater treatment problems. The claim is in an approximate amount of \$1 million, the gist of which does not concern Construction Inc. The claim involves eight other co defendants..
- *C.E.C Mechanical Limited v. Construction Ltd. et al.*: Dispute of sums owed by the owner to a sub-consultant. This claim is in an approximate amount of \$0.5 million. Construction Ltd. has according to external counsel, no exposure as it is simply the pass-through between two parties. The claim involves thirteen other co defendants..
- *Construction Inc. v. L'Union des producteurs agricoles*: Dispute over sums owed following the construction of a building. The principal claim filed by Construction Inc. is in the approximate amount of \$1.1 million. It is secured by a construction lien. The counter claim represents an approximate amount of \$90,000 and pertains to deficiencies. The claim involves no other defendants although the Officer of the land registry for the county of Chambly has been added as joinder to the parties.
- *Société Immobilière Camont Inc. v. Genivar Inc. et al.*: Alleged problems pertaining to the parking lot paved surface designed by Genivar and partly constructed by Construction Inc. who incidentally sub-contracted the work to a pavement company. There also exists a general allegation of reserve pertaining to a potential issue of water leakage through a joint between the Caisse de Dépôt and the Palais des Congrès. This claim is in an approximate amount of \$0.4 M. This claim involves three other co-defendants.

In relation to those litigations, a provision is already reflected in the BV of Genivar (more specifically in the BV of Construction Inc. and Construction Ltd.). After due inquiry and extensive discussion with management, internal legal counsel and Stikeman, we concluded that an additional adjustment ranging between \$100,000 and \$375,000 is required to reflect the FMV of those litigations.

8.3.6 Summary of Adjustments

Table 8.6 presents a summary of our analysis. Based on the above analysis, the restrictions and assumptions noted herein, we have concluded that, as at the Valuation Date, the Adjusted Net Assets Value of Genivar lie between \$(27.8) million and \$(27.2) million, as illustrated by Table 8.6.

Table 8.6
Summary of Adjustments

('000) CAD	BV 30-Dec-09	FMV Adjustment		Timing Adjustment (Dec 31, 2009 to April 15, 2010)	Proforma Adjustment (Post Transaction)	FMV (at Valuation Date)	
		Low	High			Low	High
Summary							
Working Capital	(11,547)	-	-	(982)	63	(12,466)	(12,466)
Long lived assets	88,365	1,076	1,097	-	(87,326)	2,116	2,137
Long term liabilities	(22,724)	70	294	(8,101)	13,220	(17,535)	(17,310)
Discontinued operations	831	(350)	(280)	-	-	481	551
Contingencies	-	(375)	(100)	-	-	(375)	(100)
Total	54,925	421	1,012	(9,083)	(74,043)	(27,780)	(27,189)
Adjusted Net Assets Value (rounded)						(27,800)	(27,200)

9. Conclusion

The FMV of the Shares of New Genivar is equivalent to the aggregate FMV of the Units and of the Adjusted Net Assets Value of Genivar.

Based on our analysis, the restrictions and assumptions noted herein, we have concluded that, as at the Valuation Date, the FMV of the Shares lies between \$732.8 million and \$753.8 million, as illustrated in Table 9.1.

Table 9.1
FMV of the Shares
As at Valuation Date

('000) CAD	Reference	Low	High
FMV of the Units	Table 7.4	760,600	781,000
Adjusted Net Assets Value	Table 8.6	(27,800)	(27,200)
FMV of the Shares		732,800	753,800

Based on the number of Units of the Fund outstanding at the Valuation Date and the number of Shares of New Genivar to be issued on January 1, 2011, of approximately 26.194 million, this represents a value per Share of New Genivar of \$27.98 to \$28.78.

Yours sincerely,



KPMG LLP

Line Racette, FCA, FCBV, ASA, CA•IFA
Partner

Appendices

Appendix 1

Scope of Review

A1.2 The Fund

- The Fund's 2009 annual report and the audited consolidated financial statements for the year ended December 31, 2009, as reported upon by PricewaterhouseCoopers LLP ("**PwC**");
- Annual reports of the Fund for the fiscal years ended December 31, 2007 to 2008, including consolidated financial statements audited by PwC;
- The Fund's fourth quarter 2009 year-end conference call held by the Fund's management on March 23, 2010, and the associated investor presentation;
- The Fund's annual information form, dated March 30, 2009;
- The Fund's revenue, EBITDA and earnings per shares consensus forecast from Bloomberg as of the end of March 2010;
- Draft versions of the Fund's notice of annual and special meeting of unitholders to be held on May 27, 2010 and associated management information circular, provided by Stikeman;
- Various equity research reports published on the Fund by Canadian banks and securities firms, including Macquarie, RBC Capital Markets, Canaccord Adams, Scotia capital, TD Newcrest, and National Bank Financial, for the two-year period preceding the date hereof;
- Capital Markets and financial information on the Fund, the Genivar Group, and their competitors and publicly-traded comparable companies.

A1.2 Genivar

- Organizational chart of the Genivar Group, provided by management and representing the corporate structure as of the Valuation Date;
- Shareholders' agreement of Genivar, dated April 3, 2003 and modified on March 30, 2006, and May 31, 2007;
- Genivar group draft conversion deal terms summary to be entered into by, among other, Genivar and the Fund, provided by Stikeman in March 2010;
- Draft versions of the Arrangement agreement to be entered into by, among other, Genivar and the Fund, provided by Stikeman;
- Memorandum of Ernst & Young LLP ("**E&Y**"), addressed to the Genivar Group regarding the conversion of the Fund and Genivar into a taxable corporation, dated January 22, 2010;
- Memorandum from E&Y, addressed to Genivar regarding the disposition of an interest held by Genifinance in Genivar;

- Draft Genivar's audited consolidated financial statements for the year ended December 30, 2009, to be reported upon by PwC;
- Internal financial statements of Genivar and Genifinance for the partial period ended March 1, 2010;
- Genivar's audited consolidated financial statements for the years ended December 30, 2007 to 2008, as reported upon by PwC;
- List of distributions to be received by Genivar, as provided by management and dated December 30, 2009;
- City of Chicoutimi (Saguenay)'s municipal tax invoice related to real estate owned by Genivar, dated January 1, 2010;
- Valuation report on the real estate located at 125, rue Racine Est, Saguenay (Chicoutimi), Québec, performed by Brisson, Tremblay, Fleury et Associées, évaluateurs agréés, dated March 15, 2010;
- Environmental assessment report on the real estate located at 125, rue Racine Est, Saguenay (Chicoutimi), Québec, performed by Inspec-Sol, ingénierie et solutions, dated March 18, 2010;
- Lease agreement (convention de bail) between Genivar and 9050-7419 Québec Inc., an affiliate of Genivar, related to real estate in the city of Saguenay, dated September 8, 2008;
- Details of trade payables, accrued liabilities, and advances payable as at December 30, 2009, as provided by management;
- Details of balance to be paid by Genivar to former shareholders as at December 30, 2009 and as at March 30, 2010, as provided by management;
- Details of federal and provincial income tax balances, as provided by management in March 2010;
- Details of future income tax calculations as at December 30, 2009, as provided by management;
- Various documents and analysis supporting the BV and/or FMV of assets and liabilities of Genivar as at April 15, 2010, as provided by management;
- Financial statements for the period ended December 30, 2009, of affiliates of Genivar: 4432011 Canada Inc., 4446364 Canada Inc., 9050-7419 Québec Inc., Gespro-BFC-DIVCO, Construction Inc., and Construction Ltd., as provided by management;
- Earn-out agreement entitled: *Mémoire d'entente entre Pomerleau Inc. et Construction Inc.*, dated January 23, 2008 ; and
- Financing term sheet presented to Genivar by BMO, dated November 25, 2009.

Appendix 2 Economy Overview

In 2009, Genivar LP generated close to 92% of its total revenues in Canada. Consequently, a brief overview of the Canadian economy has been prepared as of the Valuation Date.

A2.1. Summary of Economic Conditions and Forecast

As at Valuation date, the Economist Intelligence Unit (“EIU”) estimated that Canada’s gross domestic product (“GDP”) would encounter a decline of 2.4% in 2009, owing to a decrease in investments and inventories and a weakening of private consumption. As shown in Table A2.1, the situation was expected to be similar for both the United States and the world, with respective declines in real GDP of 2.4% and 1.0% in 2009. The EIU expected that developed economies should resume with their growth path in 2010.

In 2010, the Canadian economy was forecasted to experience growth of 2.7% as a well-functioning financial system, low interest rates and the government’s fiscal stimulus package would support economic activity. Canadian GDP growth was expected to ease to 1.6% in 2011 as the government’s level of fiscal and monetary stimulus was expected to be lowered compared to the level of stimulus witnessed in 2009.

**Table A2.1
Annual Real GDP Growth Rate
(2008-2011F)**

	2008	2009E	2010F	2011F
(year-over-year change in %)				
Canada	0.4	-2.4	2.7	1.6
USA	0.4	-2.4	2.8	1.6
Trinidad and Tobago	3.5	-3.5	N/A	N/A
World	2.8	-1.0	3.6	3.5

E= Estimate.

F= Forecast.

N/A= Note available.

Sources: EUI: Canada, 5-year forecast, February 19, 2010; USA 5-year forecast, March 15, 2010; Trinidad and Tobago 2-year forecast, March 19, 2010.

To support GDP growth in 2010 and 2011 in Canada, consumer spending, government spending and business investments were expected to increase significantly. According to RBC’s estimates, consumer spending growth was forecasted to remain stable at 2.8% for both 2010 and 2011. Government spending was forecasted to increase by 3.5% in 2010 and to decrease by 1.1% in 2011 as major investment programs were expected to end. Furthermore, companies were expected to take advantage of falling costs of imported capital goods as the Canadian currency was expected to appreciate. This situation should have an impact on business investments, which were forecasted to increase by 5.0% and 6.0% respectively in 2010 and 2011.

The labor market was expected to remain challenging with unemployment rates of 8.3% and 8.4% in 2009 and 2010. Improvement in the job market remained skewed to service-sector industries, which created 121,000 new jobs during the first three months of 2010, while goods producers cut payrolls by another 34,000. More stable conditions in the automobile industry and rising commodity prices were expected to improve the situation. Inflation was forecasted to remain below the target rate of 2.0% set by the Bank of Canada with an estimated inflation rate of 1.6% in 2010 and 1.8% in 2011. Inflation was expected to stabilize resulting from modest wage gains and a strong Canadian dollar that were expected to dampen prices of imported goods.

In 2010, new housing starts were forecasted to grow with 184,000 new houses starts compared to 149,000 in 2009. The sharp recovery of the housing market in the beginning of 2009 raised concerns that a bubble was forming, with sales running more than 60% faster than during the same period of the preceding year. In the near term, the housing market was forecasted to remain strong as labor market conditions were expected to improve and mortgage rates to remain low.

Table A2.2 below shows historical and forecasted data for selected economic indicators of the Canadian economy.

Table A2.2
Canadian Economic Indicators
(2008-2011F)

	2008	2009E	2010F	2011F
(year-over-year change in % unless otherwise noted)				
Consumer spending	3.0	0.2	2.8	2.8
Government spending	3.7	3.0	3.5	1.1
Business investment	-0.8	-14.1	5.0	6.0
Exports	-4.7	-14.0	8.0	9.8
Imports	0.8	-13.4	10.9	8.6
Unemployment rate (%)	6.1	8.3	8.4	7.7
Inflation - Core CPI	1.7	1.7	1.6	1.8
Housing starts (000)	212	149	184	189
Three-month T-bills (%)	2.33	0.19	1.45	3.60
10-year GoC bonds (%)	3.61	3.61	4.05	4.25
Exchange rates CAD\$/US\$	1.07	1.05	1.02	1.03

E= Estimate.

F= Forecast.

Sources: RBC Economics / Research, Economic & Financial Market Outlook, March 2010.

Appendix 3 Industry Overview⁷

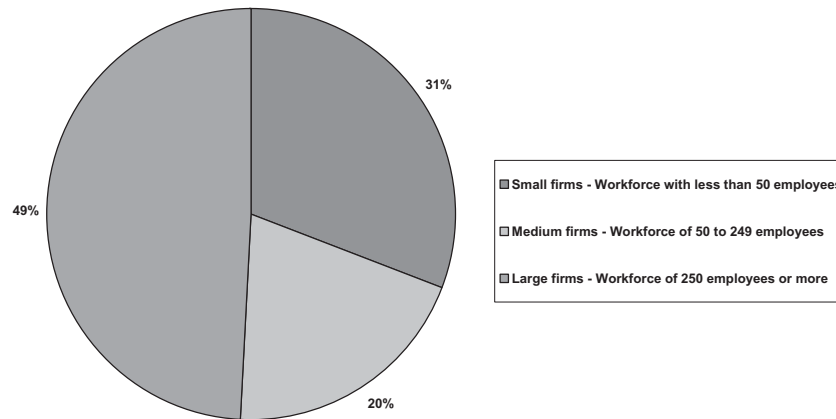
The business of consulting engineering services is a knowledge-based industry in which state-of-the-art technology, innovation and global experience are the major assets of its professionals. Consulting engineering firms offer a wide range of services including: pre-feasibility and investment studies, social and environmental impact studies, supervision and inspection in construction and development of infrastructure and implementation of infrastructure in the public and private sectors. In 2007-2008, the Association of Consulting Engineers of Canada estimated at 48,010 the number of employees working in the consulting engineering services industry.

According to Statistics Canada, in 2007 operating revenues of the Canadian Engineering Services industry were estimated at \$17.8 billion, which represented an increase of 16.1% compared to revenues of 2006. Most of the revenues were generated from industrial and manufacturing projects and more specifically from mining and petroleum activities. Alberta (28%), Ontario (27%), Quebec (19%) and British Columbia (17%) were the largest markets in Canada. The industry generated an operating profit margin of 12.9% in 2007, up by 10% compared to the operating profit margin of 2006. Furthermore, small firms encountered better results with an operating profit margin of 16.2% in 2007 compared to an operating profit margin of 12.6% for large firms.

This study encompassed more than 21,000 engineering services firms and 96% of the sample represented small firms with less than 50 employees and 2% represented large firms with a workforce of 250 employees and more. (Figure A3.2). However, most of the revenues were generated by large firms (Figure A3.1).

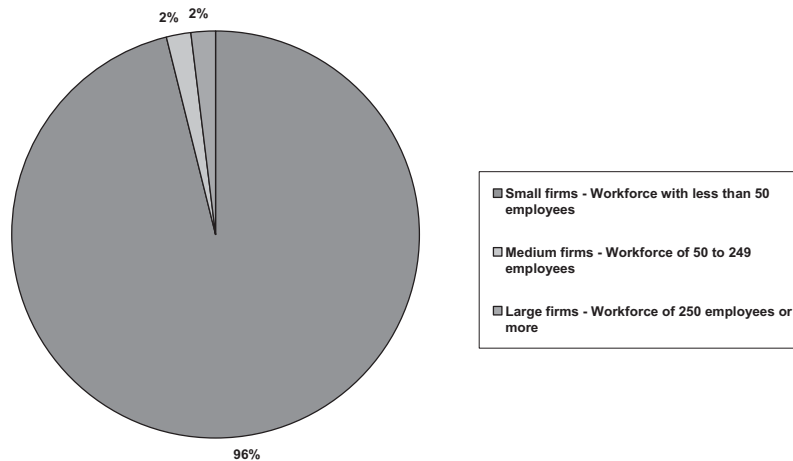
⁷ Equity Research Company Report, Genivar Income Fund, October 22, 2009.
Fund, Annual Information Form, March 30, 2009.
Engineering Services Survey, Statistics Canada, Catalogue no. 63-258-X, published in 2007.
Association of Consulting Engineers of Canada website, <http://www.acec.ca/en/>.

Figure A3.1
Share of Total Canadian Engineering Services Operating Revenue
by Firm Size - 2007



Source: Engineering Services Survey, Statistics Canada, Catalogue no. 63-258-X, August 2009.

Figure A3.2
Number of Canadian Engineering Services Firms by Size - 2007



Source: Engineering Services Survey, Statistics Canada, Catalogue no. 63-258-X, August 2009.

Typical clients include all levels of governments, manufacturers, resource-based industries, transportation systems, the energy, information technology, and telecommunications sectors.

The remaining useful economic life of most of Canada's infrastructure is less than 50% of its original useful economic life. Therefore, Federal and provincial governments have increased their investments to replace ageing infrastructure. These investments will result in opportunities for engineering services firms, more specifically in the infrastructure segment. Table A3.1 illustrates average age of infrastructure for Canada and provinces.

Table A3.1
Average Age of Canadian Infrastructure as Percent of Useful Life - 2009

	Average Age as % of Useful Life				
	Canada	Quebec	British Columbia	Alberta	Ontario
Highways and roads	53	54	56	51	49
Bridges and overpasses	57	72	53	53	56
Water supply systems	40	50	31	38	36
Wasterwater treatment	63	68	61	63	60
Sewer systems	53	54	50	49	54

Source: Statistics Canada, Age of Public Infrastructure: A Provincial Perspective, Investment and Capital Stock Division, Table 3, November 12, 2009.

In order to renew Canada's infrastructure, the federal and provincial governments have established investment programs as shown (Table A3.2). Private-public partnerships are increasingly being used to realize infrastructure investment programs. In terms of opportunity, the infrastructure sector is expected to be the most interesting for the engineering services industry.

Table A3.2
Federal and Provincial Governments Infrastructure Investment Programs

Government	Program
Federal*	\$33,0 billions between 2007-2014
Ontario - Renew Ontario program	\$30,0 billions up to 2010
Ontario - Move Ontario	\$17,5 billions up to 2020
Quebec	\$30,0 billions between 2007-2012
Alberta	\$22,2 billions between 2008-20011
	20-year \$120,0 billions program
British Columbia	\$16,7 billions between 2008-2011

Source: Macquarie Research, Federal and provincial governments, December 2008.

* Infrastructure Canada, website, March 2010.

The Genivar Group competes with numerous firms in its various market segments. On large infrastructure, industrial or facilities projects, competitors are usually other full-service Engineering Services firms. SNC-Lavalin Inc., Stantec Inc., Hatch Ltd., AMEC p.l.c., DESSAU Inc., AECOM Technology Corporation, IBI Income Fund and Groupe BPR Inc. are the major competitors of the Genivar Group.

APPENDIX F
PRO FORMA FINANCIAL STATEMENTS OF THE FUND

New GENIVAR
PRO FORMA CONSOLIDATED BALANCE SHEET
As at December 31, 2009
(Unaudited)
(in thousands of dollars)

	As filed	PRO FORMA	Notes	New GENIVAR
	The Fund	adjustments		(unaudited)
	(audited)	(unaudited)		
Assets				
Current assets				
Cash and cash equivalents & cash held in trust	51,887	2,574	3a	54,461
Accounts receivable	143,256	(3,075)	3a,3c	140,181
Costs and anticipated profits in excess of billings	51,292	-		51,292
Prepaid expenses	4,710	-		4,710
	<u>251,145</u>	<u>(501)</u>		<u>250,644</u>
Notes receivable	-	198	3a	198
Investments in GENIVAR LP	-	-	3a,3b	-
Investment in GENIVAR Construction	-	832	3a	832
Other investment	-	264	3a	264
Property, plant and equipment	33,029	2,781	3a,3b	35,810
Intangible assets	100,167	64,812	3b	164,979
Goodwill	148,756	63,952	3b,3d	212,708
	<u>533,097</u>	<u>132,338</u>		<u>665,435</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	69,388	9,429	3a,3c,3d	78,817
Income taxes payable	347	14,969	3a,4a	15,316
Billings in excess of costs and anticipated profits	24,836	-		24,836
Future income tax liabilities	389	6,802	4a	7,191
Distributions payable to unitholders	15,619	(5,210)	3c	10,409
Current portion of balances of purchase price payable	5,300	-		5,300
Current portion of long-term debt	330	-		330
	<u>116,209</u>	<u>25,990</u>		<u>142,199</u>
Balances payable to former shareholders	-	9,218	3a	9,218
Balances of purchase price payable	1,768	-		1,768
Long-term debt	5,670	-		5,670
Promissory notes	-	10,500	3a	10,500
Future income tax liabilities	3,695	12,968	3b,4a	16,663
Non-controlling interest	128,361	(128,361)	3b	-
	<u>255,703</u>	<u>(69,685)</u>		<u>186,018</u>
Shareholders' / Unitholders' Equity				
Capital stock	-	495,976	3a	495,976
Fund units	275,065	(275,065)	3a	-
Retained Earnings (deficit)	2,329	(18,888)	3d,4a	(16,559)
	<u>277,394</u>	<u>202,023</u>		<u>479,417</u>
	<u>533,097</u>	<u>132,338</u>		<u>665,435</u>

See accompanying notes to pro forma consolidated balance sheet.

**New GENIVAR
PRO FORMA CONSOLIDATED STATEMENT OF EARNINGS AND COMPREHENSIVE
INCOME**

For the year ended December 31, 2009

(Unaudited)

(in thousands of dollars, except the number of units / share and per unit / share data)

	As filed			
	The Fund (audited)	PRO FORMA adjustments (unaudited)	Notes	New GENIVAR (unaudited)
Revenues	477,924			477,924
Costs	<u>279,241</u>			<u>279,241</u>
Gross Margin	<u>198,683</u>	-		<u>198,683</u>
Expenses				
Marketing, general and administrative	116,867	1,634	3d,4b	118,501
Depreciation of property, plant and equipment	6,287	113	4b,4c	6,400
Amortization of intangible assets	17,036	10,667	4b,4c	27,703
Net interest expense	1,813	382	4b	2,195
Exchange loss	3,332	-		3,332
Loss from discontinued operations	-	642	4b	642
	<u>145,335</u>	<u>13,438</u>		<u>158,773</u>
Earnings before income tax and non-controlling interest	53,348	(13,438)		39,910
Income taxes				
Current	3,986	12,039	4a	16,025
Future	(705)	2,956	4a	2,251
	<u>3,281</u>	<u>14,995</u>		<u>18,276</u>
Earnings before non-controlling interest	50,067	(28,433)		21,634
Non-controlling interest	<u>(18,974)</u>	<u>18,974</u>	3b	<u>-</u>
Net earnings and comprehensive income for the year	<u>31,093</u>	<u>(9,459)</u>		<u>21,634</u>
Basic and Diluted net earnings per unit	2,06			
Basic and Diluted weighted average number of units / shares	24,131,573			
Basic net earnings per share				0,82
Total units / shares outstanding as at December 31, 2009	27,163,976			26,270,354

See accompanying notes to pro forma consolidated statement of earnings.

New GENIVAR

Notes to PRO FORMA Consolidated Balance Sheet and Statement of Earnings

For the year ended December 31, 2009

(Unaudited)

(in thousands of dollars, except the number of units / share and per unit / share data)

1 Basis of presentation

The Fund, the Trust, GENIVAR GP, GENIVAR LP, GENIVAR Consultants LP, GENIVAR Ontario, GENIVAR Inc., 4432011 Canada Inc., 4446364 Canada Inc. and GENIFINANCE wish to propose an Arrangement with the Unitholders, the GENIVAR Inc. Shareholders and the GENIFINANCE Shareholders to form a new, publicly-traded corporation to be named GENIVAR Inc. ("New GENIVAR"). If approved, the Arrangement will result in the reorganization of the Fund's Income Trust structure into a public corporation.

The unaudited pro forma consolidated financial statements are expressed in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles effective as of the date thereof. On January 1, 2011, New GENIVAR, assuming the Arrangement is completed, will need to adopt the International Financial Reporting Standards, and under those rules, the unaudited pro forma consolidated financial statements may differ significantly.

The unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statement of earnings of New GENIVAR have been prepared to reflect the transactions that will become effective through the Arrangement. The steps of the Arrangement are provided for in greater detail in the Circular.

The overall accounting impact of the Arrangement may be summarized as follows:

Prior to the following transactions, 4432011 Canada Inc., 4446364 Canada Inc. and GENIVAR Inc. will amalgamate to ultimately form New GENIVAR.

Under the Arrangement, New GENIVAR will acquire all of the issued and outstanding Units of the Fund in exchange for New GENIVAR Shares.

From a legal perspective, New GENIVAR will become the parent of the Fund. Given the number of New GENIVAR Shares issued to Unitholders pursuant to the Arrangement, such Unitholders would thereby become majority shareholders of New GENIVAR and be deemed to control such entity. Accordingly, the transaction will be accounted for in substance as a reverse takeover using the purchase method with the Fund as the acquirer.

Application of reverse takeover accounting results in the following:

- (i) The consolidated financial statements of the combined entity are issued under the name of the legal parent, New GENIVAR, but are considered a continuation of the financial statements of the legal subsidiary, the Fund.
- (ii) As the Fund is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated balance sheet for the continuing entity at their historical carrying values. New GENIVAR's assets and liabilities at the date of the transaction are included in the consolidated balance sheet at their estimated fair value.

The unaudited pro forma consolidated balance sheet for the year ended December 31, 2009, adjusted for the Arrangement as if it had occurred on December 31, 2009, has been prepared from: (i) the audited consolidated balance sheet of the Fund as at December 31, 2009; (ii) the audited consolidated balance sheet of GENIVAR Inc. as at December 30, 2009; and (iii) the audited balance sheet of GENIFINANCE as at December 30, 2009.

The unaudited pro forma consolidated statement of earnings for the year ended December 31, 2009, adjusted for the Arrangement as if it had occurred on January 1, 2009, has been prepared from: (i) the audited consolidated statements of earnings of the Fund for the year ended December 31, 2009; (ii) the audited consolidated statements of earnings of the GENIVAR Inc. for the year ended December 30, 2009; and (iii) the audited consolidated statements of earnings of GENIFINANCE for the year ended December 30, 2009.

New GENIVAR

Notes to PRO FORMA Consolidated Balance Sheet and Statement of Earnings

For the year ended December 31, 2009

(Unaudited)

(in thousands of dollars, except the number of units / share and per unit / share data)

Management is of the opinion that the unaudited pro forma consolidated balance sheet as at December 31, 2009 and the unaudited pro forma statement of earnings for the year ended December 31, 2009, include all adjustments necessary for fair presentation.

The unaudited pro forma consolidated balance sheet and unaudited pro forma consolidated statement of earnings may not be necessarily indicative of the financial position of operations that would have been achieved if the Arrangement had occurred on the dates noted above. In preparing the unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statement of earnings, no adjustments have been made to reflect ongoing costs savings that may result from the Arrangement. The unaudited pro forma consolidated balance sheet and the unaudited pro forma consolidated statement of earnings should be read in conjunction with the description of the Arrangement in the Circular and the audited financial statements of the Fund which have been filed on SEDAR and are incorporated by reference in the Circular.

All significant intercompany transactions and balances have been eliminated.

New GENIVAR

Notes to PRO FORMA Consolidated Balance Sheet and Statement of Earnings

For the year ended December 31, 2009

(Unaudited)

(in thousands of dollars, except the number of units / share and per unit / share data)

2 Business combination

The following presents the acquisition of all the assets and liabilities of New GENIVAR by the Fund as a result of a reverse takeover transaction:

Assets acquired

Current assets	
Cash and cash equivalents & cash held in trust	2,574
Accounts receivable	5,571
	<hr/>
	8,145
Notes receivable	198
Investments in GENIVAR LP (9,060,387 units at \$27.05)	245,083
Investment in GENIVAR Construction	832
Other investment	264
Property, plant and equipment	577
	<hr/>
	255,099

Liabilities assumed

Current liabilities	
Accounts payable and accrued liabilities	11,540
Income taxes payable	2,930
	<hr/>
	14,470
Balances payable to former shareholders	9,218
Promissory notes	10,500
	<hr/>
	34,188
Net identifiable assets acquired	<hr/>
	220,911
Purchase price paid by issuance of shares	<hr/>
	220,911

The final allocation of the purchase price will be based on the assets and liabilities at the effective date of the acquisition. The purchase price represents the fair value of the net assets acquired. The above allocation reflects Management's best estimate at the date of the preparation of the pro forma, although the final allocation may materially differ from these amounts.

The number of New GENIVAR Shares issued has been determined using an estimated fair value of the assets and liabilities of New GENIVAR amounting to \$220,911. The number of New GENIVAR Shares to be issued on the Effective Date may be different, given that the final fair value of the assets and liabilities of New GENIVAR may differ from this amount.

New GENIVAR

Notes to PRO FORMA Consolidated Balance Sheet and Statement of Earnings

For the year ended December 31, 2009

(Unaudited)

(in thousands of dollars, except the number of units / share and per unit / share data)

3 Pro Forma Balance Sheet adjustments

The following entries are to adjust the balance sheet as though the Arrangement has occurred on December 31, 2009.

- (a) To record the acquisition of all the assets and liabilities of New GENIVAR by the Fund.

The acquisition has been accounted for as a reverse takeover transaction using the purchase method and accordingly, all the assets and liabilities have been recorded at their estimated fair value (notes 1 and 2).

- (b) To eliminate the investment held by New GENIVAR in GENIVAR LP and the non-controlling interest, which are not carried forward following the reverse takeover transaction.

The difference between the fair value of the investment and the non-controlling interest in the Fund's consolidated financial statements has been preliminarily allocated as follows: \$2,204 in property, plant and equipment, \$64,812 in intangible assets, \$63,627 in goodwill and \$13,921 in future income tax liabilities. The preliminary allocation reflects Management's estimate at the date of the preparation of the pro forma, although the final allocation may materially differ from these amounts.

- (c) To eliminate intercompany transactions between New GENIVAR and the Fund for a total amount of \$8,646.
- (d) To record estimated transaction-related costs amounting to \$1,325, of which \$325 is related to the business combination and accordingly has been recorded in goodwill.

4 Pro Forma Statement of Earnings adjustments

The following entries are to adjust transactions during the period as though the Arrangement has occurred on January 1, 2009.

- (a) To record income taxes as a result of the reorganization of the Fund's income trust structure into a public corporation, for an amount of \$12,039 and \$2,956 respectively for income tax payable and future income taxes.
- (b) To record GENIVAR Inc.'s consolidated Statement of Earnings and GENIFINANCE's Statement of Earnings. As per Management's best estimate, an amount of \$642 represents non-recurring costs after the Arrangement.
- (c) To record depreciation of property, plant and equipment amounting to \$88 and amortization of intangible assets amounting to \$10,667 of New GENIVAR's assets acquired by the Fund at fair value, as a result of the reverse takeover transaction.

APPENDIX G
SECTION 190 OF THE *CANADA BUSINESS CORPORATIONS ACT*

190. Right to dissent

(1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

(2) Further Right – A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

(2.1) If one class of shares – The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) Payment for shares – In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

(4) No partial dissent – A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) Objection – A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

(6) Notice of resolution – The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

(7) Demand for payment – A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

(8) Share certificate – A dissenting shareholder shall, within thirty days after sending a notice under subsection (7),

send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(9)Forfeiture – A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

(10)Endorsing certificate – A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

(11)Suspension of rights – On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

(12)Offer to pay – A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(13)Same terms – Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

(14)Payment – Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(15)Corporation may apply to court – Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

(16)Shareholder application to court – If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

(17)Venue – An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

(18)No security for costs – A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

(19)Parties – On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

(20)Powers of court – On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

(21)Appraisers – A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(22)Final Order – The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

(23)Interest – A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(24)Notice that subsection (26) applies – If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(25)Effect where subsection (26) applies – If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(26)Limitation – A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

R.S., 1985, c. C-44, s. 190; 1994, c. 24, s. 23; 2001, c. 14, ss. 94, 134(F), 135(E).

APPENDIX H
LONG-TERM INCENTIVE PLAN RESOLUTION

Capitalized terms herein have the meanings ascribed thereto in management information circular of GENIVAR Income Fund (the "**Fund**") dated April 15, 2010 ("**Circular**").

BE IT RESOLVED that:

1. the Long-Term Incentive Plan in the form attached as Appendix I to the Circular be and is hereby approved;
2. the form of the Long-Term Incentive Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Voting Unitholders;
3. a maximum of eight percent (8%) of New GENIVAR Shares outstanding immediately after the Effective Date be reserved and available for grant and issuable pursuant to the Long-Term Incentive Plan; and
4. any one of the directors or officers of New GENIVAR is hereby authorized to take all such actions and execute and deliver all such documents as are necessary or desirable for the implementation of this resolution.

APPENDIX I
LONG-TERM INCENTIVE PLAN

GENIVAR INC.

LONG-TERM INCENTIVE PLAN

Long-Term Incentive Plan

GENIVAR Inc. hereby establishes a Long-Term Incentive Plan for certain management employees holding positions that can have a significant impact on the Corporation's long-term results.

SECTION 1 — DEFINITIONS

1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

- 1.1.1 "**Affiliates**" has the meaning given to this term in the *Securities Act* (Québec), as such legislation may be amended, supplemented or replaced from time to time;
- 1.1.2 "**Associate**", where used to indicate a relationship with a Participant, means (i) any partner of that Participant and (ii) the spouse of that Participant and that Participant's children, as well as that Participant's relatives and that Participant's spouse's relatives, if they share that Participant's residence;
- 1.1.3 "**Black-Out Period**" means a period during which designated employees of the Corporation cannot trade Shares pursuant to the Corporation's policy respecting restrictions on employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an Insider, that Insider, is subject);
- 1.1.4 "**Board**" has the meaning ascribed thereto in Section 3.1 hereof;
- 1.1.5 "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in the City of Montreal, in the Province of Québec, for the transaction of banking business;
- 1.1.6 "**Change in Control**" means an event whereby (i) any Person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Shares or the combined voting power of the Corporation's then outstanding voting securities entitled to vote generally; (ii) any Person acquires, directly or indirectly, securities of the Corporation to which is attached the right to elect the majority of the directors of the Corporation; or (iii) the Corporation undergoes a liquidation or dissolution or sells all or substantially all of its assets;
- 1.1.7 "**Code of Conduct**" means the code of conduct adopted by the Corporation, as modified from time to time;
- 1.1.8 "**Committee**" has the meaning ascribed thereto in Section 3.1 hereof;

- 1.1.9 "**Corporation**" means GENIVAR Inc., a corporation amalgamated and existing under the *Canada Business Corporations Act*, as amended;
- 1.1.10 "**Dividend Equivalents**" means a bookkeeping entry whereby each Restricted Share Unit is credited with the equivalent amount of the dividend paid on a Share in accordance with Section 8.1.4;
- 1.1.11 "**Dividend Market Value**" means the volume weighted average trading price of the Shares on the TSX on the five (5) Trading Days immediately following the dividend record date for the payment of any dividend made on the Shares;
- 1.1.12 "**Eligibility Date**" has the meaning ascribed thereto in Section 8.2.1.3 hereof;
- 1.1.13 "**Eligible Participants**" has the meaning ascribed thereto in Section 4.1 hereof;
- 1.1.14 "**Exercise Notice**" means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Option;
- 1.1.15 "**Insider**" has the meaning given to this term in the *Securities Act (Québec)*, as such legislation may be amended, supplemented or replaced from time to time;
- 1.1.16 "**Options**" has the meaning ascribed thereto in Section 2.1 hereof;
- 1.1.17 "**Option Agreement**" means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof;
- 1.1.18 "**Option Price**" has the meaning ascribed thereto in Section 6.1 hereof;
- 1.1.19 "**Option Term**" has the meaning ascribed thereto in Section 6.3 hereof;
- 1.1.20 "**Participants**" means Eligible Participants that are granted Options and/or RSUs, as applicable, under the Plan;
- 1.1.21 "**Participant's Account**" means an account maintained for each Participant's participation in RSUs under the Plan;
- 1.1.22 "**Performance Criteria**" means criteria established by the Board or the Committee which, without limitation, may include criteria based on the Participant's personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the RSUs and, where applicable, the Options;
- 1.1.23 "**Performance Period**" means the period determined by the Board or the Committee pursuant to Section 7.3 hereof;
- 1.1.24 "**Person**" means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or

governmental authority or body, and pronouns which refer to a person shall have a similarly extended meaning;

- 1.1.25 "**Plan**" means this Long-Term Incentive Plan, including any amendments or supplements hereto made after the date hereof;
- 1.1.26 "**Plan of Arrangement**" means the plan of arrangement of GENIVAR Income Fund to be completed further to an arrangement agreement dated as of April 15, 2010, among GENIVAR Income Fund, GENIVAR Operating Trust, GENIVAR GP Inc., GENIVAR Limited Partnership, GENIVAR Consultants Limited Partnership, GENIVAR Ontario Inc., GENIVAR Inc. and GENIFINANCE (2006) Inc.;
- 1.1.27 "**Restricted Share Unit**" or "**RSU**" means a right awarded to a Participant to receive a payment in the form of Shares, cash or a combination of Shares and cash, as provided in Section 7 hereof and subject to the terms and conditions of this Plan;
- 1.1.28 "**Restriction Period**" means the period determined by the Board or the Committee pursuant to Section 7.2 hereof;
- 1.1.29 "**RSU Agreement**" means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof;
- 1.1.30 "**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, officers, insiders, service providers or consultants of the Corporation or a Subsidiary including a share purchase from treasury by a full-time employee, officer, insider, service provider or consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;
- 1.1.31 "**Shares**" means the common shares in the share capital of the Corporation;
- 1.1.32 "**Subsidiary**" means a corporation, company or partnership that is controlled, directly or indirectly, by the Corporation;
- 1.1.33 "**Successor Corporation**" has the meaning ascribed thereto in Section 10.3 hereof;
- 1.1.34 "**Termination Date**" means (i) in the event of a Participant's resignation, the date on which such Participant ceases to be an employee of the Corporation or a Subsidiary and (ii) in the event of the termination of the Participant's employment by the Corporation or a Subsidiary, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Subsidiary, as the case may be.

- 1.1.35 "**Trading Day**" means any day on which the TSX is opened for trading;
- 1.1.36 "**TSX**" means the Toronto Stock Exchange;
- 1.1.37 "**Vested Options**" has the meaning described thereto in Section 8.2.1.2 hereof;
and
- 1.1.38 "**Vesting Determination Date**" has the meaning described thereto in Section 7.4 hereof.

SECTION 2 — PURPOSE OF THE PLAN

- 2.1 The purpose of the Plan is to permit the Corporation to grant options ("**Options**") to purchase Shares or to grant RSUs to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:
 - 2.1.1 to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
 - 2.1.2 to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
 - 2.1.3 to reward the Participants for their performance of services while working for the Corporation or a Subsidiary; and
 - 2.1.4 to provide a means through which the Corporation or a Subsidiary may attract and retain able persons to enter its employment.

SECTION 3 — IMPLEMENTATION AND ADMINISTRATION OF THE PLAN

- 3.1 The Plan shall be administered and interpreted by the board of directors of the Corporation (the "**Board**") or, if the Board by resolution so decides, by a committee appointed by the Board (the "**Committee**") and consisting of not less than three (3) independent members of the Board.
- 3.2 The Board or the Committee, as the case may be, may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan. Subject to the provisions of the Plan, the Board or the Committee, as the case may be, is authorised, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any

provisions hereof made by the Board or the Committee, as the case may be, shall be final and binding on all Eligible Participants.

- 3.3 No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Options or RSUs granted hereunder.
- 3.4 Any determination approved by a majority of the Board or of the Committee, as the case may be, shall be deemed to be a determination of that matter by the Board or the Committee, as the case may be.

SECTION 4 — ELIGIBLE PARTICIPANTS

- 4.1 The persons who shall be eligible to receive Options or RSUs ("**Eligible Participants**") shall be the officers, senior executives and other employees of the Corporation or a Subsidiary as the Board or the Committee, as the case may be, shall determine are in key positions in the Corporation or a Subsidiary. In determining Options or RSUs to be granted under the Plan, the Board or the Committee, as the case may be, shall give due consideration to the value of each Eligible Participant's present and potential future contribution to the Corporation's success. For greater certainty, a Person whose employment with the Corporation or a Subsidiary has ceased for any reason, or who has given notice or been given notice of such cessation, whether such cessation was initiated by such employee, the Corporation or such Subsidiary, as the case may be, shall cease to be eligible to receive Options or RSUs hereunder as of the date on which such person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant's employment initiated by the Corporation.

SECTION 5 — GRANTING OF OPTIONS AND RSUs

- 5.1 The aggregate number of Shares that may be issued under the Plan, in respect of both Options and RSUs, shall not exceed the number provided for in Section 9 hereof.
- 5.2 The aggregate number of Shares reserved for issuance at any time to any one Eligible Participant shall not exceed four percent (4%) of the issued and outstanding Shares at such time.
- 5.3 The aggregate number of Shares issued to any one Insider and Associates of such Insider under the Plan or any other proposed or established Share Compensation Arrangement within any one-year period, shall not exceed four percent (4%) of the issued and outstanding Shares.
- 5.4 The aggregate number of Shares (i) issued to Insiders and Associates of such Insiders under the Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders and Associates of such Insider at any time under the Plan or any other proposed or established Share Compensation

Arrangement, shall in each case not exceed four percent (4%) of the issued and outstanding Shares.

- 5.5 Any Option or RSU granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Option or RSU upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Option or RSU or the issuance or purchase of Shares thereunder, such Option or RSU may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

SECTION 6—OPTIONS

6.1 Option Awards.

Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board or the Committee, as the case may be, shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the "**Option Price**") and the relevant vesting provisions (including Performance Criteria, if applicable) and Option Term, the whole subject to the terms and conditions prescribed in this Plan and in any Option Agreement.

6.2 Option Price.

The Option Price for Shares that are the subject of any Option shall be fixed by the Board or the Committee, as the case may be, when such Option is granted, but shall not be less than the market value of such Shares at the time of the grant. For purposes of this Section 6, the market value of the Shares shall be, if the grant is made during a Black-Out Period, the volume weighted average trading price of the Shares on the TSX for the five (5) Trading Day-period following the last day of such Black-Out Period. If the grant is made outside a Black-Out Period, the market value of the Shares shall be the volume weighted average trading price of the Shares on the TSX for the five (5) Trading Day-period ending on the last Trading Day before the day on which the Option is granted.

6.3 Option Term.

The Board or the Committee, as the case may be, shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten (10) years from the date the Option is granted ("**Option Term**"). Unless

otherwise determined by the Board or the Committee, all unexercised Options shall be cancelled at the expiry of such Options.

Should the expiration date for an Option fall within a Black-Out Period or within nine (9) Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black-Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 11 hereof, the ten (10) Business Day-period referred to in this Section 6.3 may not be extended by the Board or the Committee.

6.4 Exercise of Options.

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board or the Committee, as the case may be, at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

6.5 Method of Exercise and Payment of Purchase Price.

Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 6.4 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Corporate Secretary of the Corporation or the individual that the Corporate Secretary of the Corporation may from time to time designate or give notice in such other manner as the Corporation may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, cheque or bank draft of the purchase price for the number of Shares specified therein or instructions to sell, at the prevailing market price of the Shares on the TSX at the time of any such sale, the necessary number of Shares issuable upon the exercise of such Option to effect payment of the applicable purchase price with the resulting proceeds. Unless the Participant intends to dispose of the Shares simultaneously with the exercise of the Option, upon such exercise, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Participant) (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice.

With the consent of the Board or the Committee, a Participant may, rather than exercise the Option which the Participant is entitled to exercise under this Plan as provided above, elect to exercise such Option, in whole or in part and, in lieu of receiving the

Shares to which the exercised Option relate, receive the number of Shares, disregarding fractions, which, when multiplied by the market value of the Shares to which the exercised Option relate, have a value equal to the product of the number of Shares to which the exercised Option relate multiplied by the difference between the market value of such Shares and the Option Price of such Option, less any amount withheld on account of income taxes, which withheld income taxes will be remitted by the Corporation.

For purposes of this Section 6.5, the market value of the Shares shall be the volume weighted average trading price of the Shares on the TSX for the five (5) Trading Day-period ending on the last Trading Day before the day on which the Option is exercised.

6.6 Share Option Agreements.

Options shall be evidenced by an Option Agreement in such form not inconsistent with the Plan as the Board or the Committee, as the case may be, may from time to time determine, provided that the substance of Section 6 and Section 8 hereof be included therein.

6.7 Use of an Administrative Agent and Trustee.

The Board or the Committee, as the case may be, may in their sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Options granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Options granted under the Plan, the whole in accordance with the terms and conditions determined by the Board or the Committee, as the case may be, in their sole discretion. The Corporation and the administrative agent will maintain records showing the number of Options granted to each Participant under the Plan.

SECTION 7—RESTRICTED SHARE UNITS

7.1 RSU Awards.

Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board or the Committee, as the case may be, shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number or dollar amount of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.

In making such determination, the Board shall consider the timing of crediting RSUs to the Participant's Account and the vesting requirements applicable to such RSUs to ensure that the crediting of the RSUs to the Participant's Account and the vesting

requirements are not considered a "salary deferral arrangement" for purposes of the *Income Tax Act* (Canada) and any applicable provincial legislation.

Subject to the vesting and other conditions and provisions herein set forth and in the RSU Agreement, each RSU awarded to a Participant shall entitle the Participant to receive, as soon as possible upon confirmation by the Board or the Committee that the vesting conditions (including the Performance Criteria, if any) have been met but no later than the last day of the Restriction Period, a payment in the form of (a) one Share, (b) cash in an amount equal to the market value of one Share, or (c) a combination of Shares and cash, at the discretion of the Board or the Committee, as the case may be. For purposes of this Section 7, the market value of the Shares shall be the volume weighted average trading price of the Shares on the TSX for the five (5) Trading Day-period ending on the last Trading Day before the day on which the payment is made.

7.2 **Restriction Period.**

The applicable restriction period in respect of a particular RSU award shall be determined by the Board or the Committee, as the case may be, but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the award is granted ("**Restriction Period**"). For example, the Restriction Period for a grant made in June 2010 shall end no later than December 31, 2013. Subject to the Board's determination, any vested RSUs with respect to a Restriction Period will be paid to Participants in accordance with Section 7, no later than the end of the Restriction Period. Unless otherwise determined by the Board or the Committee, all unvested RSUs shall be cancelled on the Vesting Determination Date (as such term is defined in Section 7.4) and, in any event, no later than the last day of the Restriction Period.

7.3 **Performance Criteria and Performance Period.**

For each award of RSUs, the Board or the Committee, as the case may be, may establish any Performance Criteria and other vesting conditions which must be met during the Performance Period in order for a Participant to be entitled to payment for all or a portion of the RSUs as well as the performance period over which the Performance Criteria and other vesting conditions will be measured (the "**Performance Period**"), provided that the Performance Period may not expire after the end of the Restriction Period.

For example, a Performance Period determined by the Board or the Committee to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2011, the Performance Period will start on January 1, 2011 and will end on December 31, 2013.

7.4 **Vesting Determination Date.**

The vesting determination date means the date on which the Board or the Committee, as the case may be, determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the "**Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the Vesting Determination Date must fall after the end of the Performance Period but no later than the last day of the Restriction Period.

7.5 **Payment to Participant.**

In the event that the vesting conditions of a RSU are satisfied, the Corporation shall, as soon as possible after the Vesting Determination Date but no later than the end of the Restriction Period, as applicable (i) cause the transfer agent and registrar of the Shares to deliver to the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall then be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares) and/or (ii) deliver to the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) payment in the form of a cheque, or other payment method as determined by the Board or the Committee, of any cash portion then payable to the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant). The Board or the Committee shall direct management to provide the Participant with a notice stating whether the Participant will receive payment in the form of (a) one Share, (b) cash in an amount equal to the volume weighted average trading price of one Share on the TSX for the five (5) Trading Day-period ending on the last Trading Day before the day on which the payment is made, or (c) a combination of Shares and cash as soon as possible upon confirmation by the Board or the Committee that the vesting conditions (including the Performance Criteria) have been met.

7.6 **RSU Agreements.**

RSUs shall be evidenced by a RSU Agreement in such form not inconsistent with the Plan as the Board or the Committee, as the case may be, may from time to time determine, provided that the substance of Section 7 and Section 8 hereof be included therein.

7.7 **Use of an Administrative Agent and Trustee.**

The Board or the Committee, as the case may be, may in their sole discretion appoint from time to time one or more entities to act as administrative agent to administer the RSUs granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of RSUs granted under the Plan, the whole in accordance with the terms and conditions determined by the Board or the Committee, as the case may be, in their sole discretion. The Corporation and the administrative agent will maintain records showing the number of RSUs granted to each Participant under the Plan.

SECTION 8—GENERAL CONDITIONS

8.1 General Conditions applicable to Options and RSUs.

Each Option and RSU, as applicable, shall be subject to the following conditions:

- 8.1.1 **Employment** - The granting of an Option or a RSU to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Options and RSUs to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- 8.1.2 **Non-assignability of Option and RSU Rights** – Each Option and RSU granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Option or RSU granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.
- 8.1.3 **Rights as a Shareholder** – Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Options or RSUs until the date of issuance of a share certificate to such Participant or such Participant's personal representatives or legatees for such Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.
- 8.1.4 **Credits for Dividends** – A Participant's Account shall be credited with Dividend Equivalents in the form of additional fully vested RSUs on each dividend payment date in respect of which normal cash dividends are paid on the Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs recorded in the Participant's Account on the record date for the payment of such dividend, by (b) the Dividend Market Value, with fractions computed to three decimal places.
- 8.1.5 **Conformity to Plan** – In the event that an Option or RSU is granted or an Option Agreement or RSU Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Options or RSUs on terms different from those set out in the Plan, the Option, RSU or the grant of such Option, or RSU shall not be in any way void or invalidated, but the Option or RSU so granted will be adjusted to become, in all respects, in conformity with the Plan.

8.2 General Conditions applicable to Options.

Each Option shall be subject to the following conditions:

8.2.1 Effect of Termination, Cessation of Employment, Leave of Absence, Eligibility to Receive Long-Term Disability Benefits or Death

- 8.2.1.1 Upon a Participant's employment with the Corporation or a Subsidiary being terminated by the Corporation or a Subsidiary for "cause", any Option or the unexercised portion thereof granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's Code of Conduct and any reason determined by the Corporation to be cause for termination.
- 8.2.1.2 If a Participant dies while employed by the Corporation or a Subsidiary, any Option or unexercised part thereof granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the Option pursuant to Section 6.4 (the "**Vested Option**") hereof on the date of such Participant's death. Such Vested Option shall only be exercisable within one (1) year after the Participant's death or prior to the expiration of the original term of the Option, whichever occurs earlier. All Options or unexercised part thereof, other than such Vested Options on the date of such Participant's death, will be cancelled on the date of such Participant's death.
- 8.2.1.3 Upon a Participant's employment with the Corporation or a Subsidiary being terminated by reason of injury or disability or upon a Participant becoming eligible to receive long-term disability benefits, any Option or unexercised part thereof granted to such Participant may be exercised by such Participant or his/her representative as the rights to exercise accrue. Such Option shall only be exercisable within three (3) years after such cessation or the effective date on which the Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Corporation by the insurance company providing such long-term disability benefits) (the "**Eligibility Date**") or prior to the expiration of the original term of the Option, whichever occurs earlier. All Options or unexercised part thereof on the date that is three (3) years after such cessation, will be cancelled on such date.

- 8.2.1.4 Upon the retirement of a Participant, any Option or unexercised part thereof granted to such Participant may be exercised by such Participant as the rights to exercise accrue. Such Option shall be exercisable within three (3) years after such retirement or prior to the expiration of the original term of the Option, whichever occurs earlier. All Options or unexercised part thereof on the date that is three (3) years after such retirement, will be cancelled on such date.

In the case of a Participant's retirement, this Section 8.2.1.4 shall not apply to a Participant in the event such Participant, directly or indirectly, in any capacity whatsoever, alone, through or in connection with any person, carries on or becomes employed by, engaged in or otherwise commercially involved in, any activity or business in the engineering services business prior to the earliest of (i) three (3) years after such retirement or (ii) the expiration of the original term of the Option. In such event, Section 8.2.1.5 shall apply to such Participant.

- 8.2.1.5 Upon notice of termination of employment being given by or to a Participant (except in the case of transfer from the Corporation to a Subsidiary, from a Subsidiary to another Subsidiary or from a Subsidiary to the Corporation) otherwise than (i) for cause (see Section 8.2.1.1 hereof), (ii) by reason of death (see Section 8.2.1.2 hereof), (iii) by reason of injury or disability or a Participant becoming eligible to receive long-term disability benefits (see Section 8.2.1.3 hereof) or (iv) upon retirement (see Section 8.2.1.4 hereof), any Option or unexercised part thereof granted to such Participant may be exercised by such Participant only for that number of Shares which such Participant was entitled to acquire under the Option pursuant to Section 6.4 hereof at the time of termination of employment or cessation. Such Option shall be exercisable for a period of thirty (30) days following the Termination Date, to the extent that such Option is otherwise exercisable under the terms of the original grant or prior to the expiration of the original term of the Option, whichever occurs earlier. All Options or unexercised part thereof, other than such Vested Options at the time of such Participant's termination of employment or cessation will be cancelled on the date of termination of employment or cessation.
- 8.2.1.6 Upon a Participant electing a voluntary leave of absence, including without limitation, maternity and paternity leaves, any Option or unexercised part thereof granted to such Participant may be exercised by such Participant as the rights to exercise accrue. Unless otherwise provided by the Board or the Committee, in such event, such Participant's Options shall remain fully exercisable until the expiration of the Option Term.

8.3 General Conditions applicable to RSUs.

Each RSU shall be subject to the following conditions:

8.3.1 Effect of Termination, Cessation of Employment, Leave of Absence, Eligibility to Receive Long-Term Disability Benefits or Death

8.3.1.1 Upon a Participant's employment with the Corporation or a Subsidiary being terminated by the Corporation or a Subsidiary for "cause" or the Participant's resignation from employment with the Corporation or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date.

8.3.1.2 Except as otherwise determined by the Board or the Committee from time to time, at their sole discretion, upon a Participant's retirement, a Participant's employment with the Corporation or a Subsidiary being terminated by the Corporation or a Subsidiary for reasons other than for "cause", a Participant's employment with the Corporation or a Subsidiary being terminated by reason of injury or disability or a Participant becoming eligible to receive long-term disability benefits, the Participant's participation in the Plan shall be terminated immediately (provided that, for the Participant becoming eligible to receive long-term disability benefits, such termination shall occur on the Eligibility Date), provided that all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain in effect until the applicable Vesting Determination Date.

In the case of a Participant's retirement, this Section 8.3.1.2 shall not apply to a Participant in the event such Participant, directly or indirectly, in any capacity whatsoever, alone, through or in connection with any person, carries on or becomes employed by, engaged in or otherwise commercially involved in, any activity or business in the engineering services business prior to the applicable Vesting Determination Date. In such event, Section 8.3.1.1 shall apply to such Participant.

If, on the Vesting Determination Date, the Board or the Committee determines that the vesting conditions were not met for such RSUs, then all unvested RSUs credited to such Participant's Account shall be forfeited and cancelled and the Participant's rights to Shares (or cash or a combination of Shares and cash as permitted under this Plan) that relate to such unvested RSUs shall be forfeited and cancelled.

If, on the Vesting Determination Date, the Board or the Committee determines that the vesting conditions were met for such RSUs, the Participant shall be entitled to receive that number of Shares equal to the number of RSUs outstanding in the Participant's Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of service of the Participant with the Corporation or a Subsidiary during the applicable Performance Period as of the date of the Participant's retirement, termination or Eligibility Date and the denominator of which shall be equal to the total number of months included in the applicable Performance Period (which calculation shall be made on the applicable Vesting Determination Date) and the Corporation shall distribute such number of Shares (or cash or a combination of Shares and cash as permitted under this Plan) to the Participant or the liquidator, executor or administrator, as the case may be, of the estate of the Participant, as soon as practicable thereafter, but no later than the end of the Restriction Period, the Corporation shall debit the corresponding number of RSUs from such Participant's Account, and the Participant's right to all other Shares that relate to such Participant's RSUs shall be forfeited and cancelled.

- 8.3.1.3 Except as otherwise determined by the Board or the Committee from time to time, at their sole discretion, upon the death of a Participant, the Participant's participation in the Plan shall be terminated immediately, provided that all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain in effect until the applicable Vesting Determination Date or any earlier date as may be determined by the Board or the Committee.

If, on the applicable Vesting Determination Date or any earlier date as may be determined by the Board or the Committee, the Board or the Committee determines that the vesting conditions were not met for such RSUs, then all unvested RSUs credited to such Participant's Account shall be forfeited and cancelled and the Participant's rights to Shares (or cash or a combination of Shares and cash as permitted under this Plan) that relate to such unvested RSUs shall be forfeited and cancelled.

If, on the applicable Vesting Determination Date or any earlier date as may be determined by the Board or the Committee, the Board or the Committee determines that the vesting conditions were met, the liquidator, executor or administrator, as the case may be, of the estate of the Participant shall be entitled to receive that number of Shares equal to the number of RSUs outstanding in the Participant's Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of

service of the Participant with the Corporation or a Subsidiary during the applicable Performance Period as of the date of death of the Participant and the denominator of which shall be equal to the total number of months included in the applicable Performance Period (which calculation shall be made on the applicable Vesting Determination Date or any earlier date as may be determined by the Board or the Committee) and the Corporation shall distribute such number of Shares (or cash or a combination of Shares and cash as permitted under this Plan) to the liquidator, executor or administrator, as the case may be, of the estate of the Participant as soon as practicable thereafter but no later than the end of the Restriction Period, the Corporation shall debit the corresponding number of RSUs from such deceased Participant's Account, and the Participant's right to all other Shares that relate to such deceased Participant's RSUs shall be forfeited and cancelled.

- 8.3.1.4 Except as otherwise determined by the Board or the Committee from time to time, at their sole discretion, upon a Participant electing a voluntary leave of absence, including without limitation, maternity and paternity leaves, the Participant's participation in the Plan shall be terminated immediately, provided that all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain in effect until the applicable Vesting Determination Date.

If, on the applicable Vesting Determination Date, the Board or the Committee determines that the vesting conditions were not met for such RSUs, then all unvested RSUs credited to such Participant's Account shall be forfeited and cancelled and the Participant's rights to Shares (or cash or a combination of Shares and cash as permitted under this Plan) that relate to such unvested RSUs shall be forfeited and cancelled.

If, on the applicable Vesting Determination Date, the Board or the Committee determines that the vesting conditions were met, the Participant shall be entitled to receive that number of Shares equal to the number of RSUs outstanding in the Participant's Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of service of the Participant with the Corporation or a Subsidiary during the relevant Performance Period as of the date the Participant elects for a voluntary leave of absence and the denominator of which shall be equal to the total number of months included in the relevant Performance Period (which calculation shall be made on the applicable Vesting Determination Date) and the Corporation shall distribute such number of Shares (or cash or a combination of Shares and cash as permitted under this Plan) to the Participant as soon as

practicable thereafter but no later than the end of the applicable Restriction Period, the Corporation shall debit the corresponding number of RSUs from such Participant's Account, and the Participant's right to all other Shares that relate to such Participant's RSUs shall be forfeited and cancelled.

8.3.1.5 Subject to applicable laws, the Board or the Committee, as the case may be, may decide, at their sole discretion that Section 8.3.1.4 should not apply to voluntary leaves, including without limitation, maternity and paternity leaves, granted to a Participant by the Corporation for a period of six (6) months or less. In such event, all unvested RSUs in such Participant's Account as of such date relating to a Restriction Period in progress shall remain in effect until the applicable Vesting Determination Date.

8.3.1.6 For greater certainty, where (i) a Participant's employment with the Corporation or a Subsidiary is terminated pursuant to Sections 8.3.1.1, 8.3.1.2 or 8.3.1.3 hereof or (ii) a Participant elects for a voluntary leave of absence pursuant to Section 8.3.1.4 hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

SECTION 9 -- SHARES SUBJECT TO THE PLAN

- 9.1 The total number of Shares reserved and available for grant and issuance pursuant to Options and RSUs under the Plan is limited to ● Shares representing eight percent (8%) of the total issued and outstanding Shares of the Corporation immediately after the completion of all the transactions contemplated by the Plan of Arrangement, subject to adjustment pursuant to provisions of Section 10 hereof. The number of Shares representing such percentage of the total issued and outstanding Shares of the Corporation will be provided to the TSX after the completion of the Arrangement. Such Shares are hereby set aside and reserved for allotment for the purpose of the Plan. At all times, the Corporation will reserve and keep available a sufficient number of Shares to satisfy the requirements of all outstanding Options and RSUs granted under the Plan. The Board or the Committee, as the case may be, may cause Shares used to satisfy RSUs granted under the Plan to be purchased on the open market instead of by treasury issuance. Furthermore, in no event shall the number of Shares issued from treasury to satisfy the payment of vested RSUs exceed two percent (2%) of the total issued and outstanding Shares of the Corporation.
- 9.2 Shares in respect of which an Option or RSU is granted under the Plan but not exercised prior to the termination of such Option or not vested or delivered prior to the termination of such RSU, due to the expiration, termination or lapse of such Option or RSU or otherwise, shall be available for Options or RSUs to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise of the

Options and the vesting of RSUs granted under the Plan shall be so issued as fully paid and non-assessable Shares.

SECTION 10—ADJUSTMENT TO SHARES SUBJECT TO OUTSTANDING OPTIONS AND RSUs

- 10.1 In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Option or RSU to a Participant and prior to the expiration of the term of such Option or RSU, the Corporation shall deliver to such Participant, at the time of any subsequent exercise of such Option or at the time of vesting of such RSU in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise of such Option or vesting of such RSU, but for the same aggregate consideration payable therefor in the case of Options, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise of such Option or vesting of such RSU.
- 10.2 In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Option or RSU to any Participant and prior to the expiration of the term of such Option or RSU, the Corporation shall deliver to such Participant at the time of any subsequent exercise of such Option or vesting of such RSU in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise of such Option or vesting of such RSU, but for the same aggregate consideration payable therefor in the case of Options, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise of such Option or vesting of such RSU.
- 10.3 If at any time after the grant of an Option or RSU to any Participant and prior to the expiration of the term of such Option or RSU, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 10.1 or Section 10.2 hereof or, subject to the provisions of Section 11.3 hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Corporation**"), the Participant shall be entitled to receive upon the subsequent exercise of such Option or vesting of such RSU, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor in the case of Options, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 11.3 hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of

such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise of such Option or vesting of such RSU.

- 10.4 If, at any time after the grant of an Option or RSU to any Participant and prior to the expiration of the term of such Option or RSU, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding a regular ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the Option Price or the number of Shares to which the Participant is entitled upon exercise of Options or vesting of RSUs shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Options or RSUs in connection with such distribution, transaction or change.

SECTION 11 — AMENDMENT OR DISCONTINUANCE OF THE PLAN

- 11.1 The Board may amend the Plan or any Option or RSU at any time without the consent of the Participants provided that such amendment shall:
- 11.1.1 not adversely alter or impair any Option or RSU previously granted except as permitted by the provisions of Section 10 hereof;
 - 11.1.2 be subject to any regulatory approvals including, where required, the approval of the TSX; and
 - 11.1.3 be subject to shareholder approval, where required, by law or the requirements of the TSX, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - 11.1.3.1 amendments of a "housekeeping" nature;
 - 11.1.3.2 a change to the vesting provisions of any Option or RSU;
 - 11.1.3.3 the introduction or amendment of a cashless exercise feature payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Plan reserve;
 - 11.1.3.4 the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted;

11.1.3.5 a change to the Eligible Participants of the Plan, including a change which would have the potential of broadening or increasing participation by Insiders; and

11.1.3.6 the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the issuer.

11.2 Notwithstanding Section 11.1.3, the Board shall be required to obtain shareholder approval to make the following amendments:

11.2.1 any change to the maximum number of Shares issuable from treasury under the Plan, including an increase to the fixed maximum number of Shares or a change from a fixed maximum number of Shares to a fixed maximum percentage, other than an adjustment pursuant to Section 10;

11.2.2 any amendment which reduces the exercise price of any Option after the Options have been granted or any cancellation of an Option and the substitution of that Option by a new Option with a reduced price, except in the case of an adjustment pursuant to Section 10;

11.2.3 any amendment which extends the expiry date of any Option or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;

11.2.4 any amendment which would allow non-employee directors to be eligible for awards under the Plan;

11.2.5 any amendment which would permit any Option or RSU granted under the Plan to be transferable or assignable by any Participant other than as allowed by Section 8.1.2;

11.2.6 any amendment which increases the maximum number of Shares that may be issued to (i) Insiders and Associates of such Insiders; or (ii) any one Insider and Associates of such Insider under the Plan or any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Section 10;

11.2.7 any amendment to the amendment provisions of the Plan,

provided that Shares held directly or indirectly by Insiders benefiting from the amendments in Sections 11.2.2 and 11.2.3 shall be excluded when obtaining such shareholder approval.

11.3 Notwithstanding anything contained to the contrary in the Plan, in an Option Agreement or RSU Agreement contemplated herein, but subject to any specific provisions contained in any employment agreements, in the event of a Change in Control, a reorganization of the Corporation, an amalgamation of the Corporation, an

arrangement involving the Corporation, a take-over bid (as that term is defined in the *Securities Act* (Québec)) for all of the Shares or the sale or disposition of all or substantially all of the property and assets of the Corporation, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances, including, without limitation, changing the Performance Criteria and/or other vesting conditions for the Options and/or the date on which any Option expires or the Restriction Period, the Performance Period, the Performance Criteria and/or other vesting conditions for the RSUs.

- 11.4 The Board may, by resolution, advance the date on which any Option may be exercised or any RSU may be payable or, subject to applicable regulatory provisions and shareholder approval, extend the expiration date of any Option or RSU, in the manner to be set forth in such resolution provided that the period during which an Option is exercisable or RSU is outstanding does not exceed ten (10) years from the date such Option is granted in the case of Options and three (3) years after the calendar year in which the award is granted in the case of RSUs. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which any Option may be exercised or RSU may be outstanding by any other Participant.
- 11.5 The Committee may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Committee.
- 11.6 The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Options or RSUs previously granted to a Participant under the Plan.

SECTION 12 — TAX WITHHOLDING

- 12.1 Notwithstanding any other provision of this Plan, all distributions or payments to a Participant under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves a distribution of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.7 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being remitted to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.

Notwithstanding the first paragraph of this Section 12, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the *Income Tax Act* (Canada) apply.

SECTION 13 — GOVERNING LAWS

- 13.1 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

SECTION 14 — EFFECTIVE DATE OF PLAN

- 14.1 The Plan is adopted concurrently with the Plan of Arrangement and shall become effective upon such Plan of Arrangement becoming effective in accordance with the terms thereof. Should any changes to the Plan be required by any securities commission or other governmental body of any province of Canada to which the Plan has been submitted or by any stock exchange on which the Shares may from time to time be listed, such changes shall be made to the Plan as are necessary to conform with such requests and, if such changes are approved by the Board, the Plan, as amended, shall remain in full force and effect in its amended form as of and from that date.

**APPENDIX J
RECORD OF ATTENDANCE**

Record of Attendance by the Fund Trustees and the GP Directors

For the period from January 1, 2009 to December 31, 2009.

<u>Trustee</u>	<u>Board Meetings Attended</u>		<u>Committee Meetings Attended</u>	
Pierre Shoiry	8	100%	N/A	N/A
Ali Ettehadieh	8	100%	N/A	N/A
Daniel Fournier	8	100%	N/A	N/A
Pierre Seccareccia	7	87.5%	5 of 6 Audit (Chairman)	83%
Pierre Simard	8	100%	6 of 6 Audit 5 of 5 Governance, Nominating and Compensation 2 of 2 Risk	100% 100%
Lawrence Smith	8	100%	5 of 5 Governance, Nominating and Compensation 2 of 2 Risk	100%
Richard Bélanger	8	100%	6 of 6 Audit 6 of 6 Governance, Nominating and Compensation (Chairman)	100% 100%

In addition, the Fund Trustees and GP Directors attended two informational board meetings as well as one continuing education session on IFRS.

APPENDIX K
CHARTER OF THE BOARD OF FUND TRUSTEES, THE BOARD OF TRUSTEES
AND THE BOARD OF GP DIRECTORS

GENIVAR INCOME FUND
GENIVAR OPERATING TRUST
GENIVAR GP INC.

BOARD OF TRUSTEES/DIRECTORS CHARTER

Board of Trustees/Directors

1. Purpose

The Board of Trustees of GENIVAR Income Fund, the Board of Trustees of GENIVAR Operating Trust and the Board of GP Directors of GENIVAR GP Inc. (collectively, the “Board”) are responsible for the supervision of the management of the business and affairs of GENIVAR Income Fund, GENIVAR Operating Trust, and GENIVAR Limited Partnership and GENIVAR GP Inc., respectively (each a “GENIVAR Entity” and collectively, the “GENIVAR Entities”).

2. Duties and Responsibilities of the Board

In furtherance of its purpose, the Board assumes the following duties and responsibilities:

A. Strategy and budget

1. Ensuring a strategic planning process is in place and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the longer term opportunities and risks of the business;
2. Approving the GENIVAR Entities' annual operating and capital budgets;
3. Reviewing operating and financial performance results in relation to the GENIVAR Entities' strategic plan and budgets.

B. Governance

1. Developing the GENIVAR Entities' approach to, and disclosure of, corporate governance practices, including developing a “Statement of Corporate Governance Principles and Guidelines” setting out the Board's expectations and responsibilities of individual trustees/directors, including with respect to attendance at meetings of the Board and of committees of the Board and the commitment of time and energy expected;
2. Approving the nomination of trustees/directors to the Board, as well as:
 - (a) ensuring that a majority of the GENIVAR Entities' trustees/directors have no direct or indirect material relationship with the GENIVAR Entities and determine who, in the reasonable opinion of the Board, are independent pursuant to applicable legislation, regulation and listing requirements;
 - (b) developing appropriate qualifications and criteria for the selection of Board members;
 - (c) appointing the Chair of the Board and the Chair and members of each committee of the Board, in consultation with the relevant committee of the Board;

3. Providing an orientation program for new trustees/directors to the Board and continuing education opportunities for all trustees/directors;
4. Assessing annually the effectiveness and contribution of the Board and of the Chair of the Board, of the Chairman, of each committee of the Board and their respective Chairs and of individual trustees/directors;
5. Developing written position descriptions for the Chair of each Committee of the Board;
6. Generally, acting and functioning independently from management in fulfilling its fiduciary obligations.

C. Chief Executive Officer, Officers and Compensation and Benefits Policies

1. Appointing the Chief Executive Officer and all other officers of the GENIVAR Entities;
2. Together with the Chief Executive Officer, developing a written position description for the role of the Chief Executive Officer;
3. Developing the corporate goals and objectives that the Chief Executive Officer is responsible for meeting and reviewing the performance of the Chief Executive Officer against such corporate goals and objectives;
4. Approving the GENIVAR Entities' compensation policy for trustees/directors;
5. Approving all forms of compensation for the Chief Executive Officer;
6. Approving the GENIVAR Entities' compensation and benefits (including pension plans) policy or any changes thereto for officers and other senior management personnel, as well as:
 - (a) monitoring and reviewing, as appropriate, the administration funding and investment of the GENIVAR Entities' pension plans;
 - (b) appointing, or removing, the custodian, trustee, or investment manager(s) for the GENIVAR Entities pension plans and fund(s);
7. Satisfying itself as to the integrity of the Chief Executive Officer, other officers and senior management personnel and that the Chief Executive Officer, other officers and senior management personnel create a culture of integrity throughout the organization;
8. Providing stewardship in respect of succession planning, including the appointment, training and monitoring of the Chief Executive Officer, other officers and senior management personnel.

D. Risk Management, Capital Management and Internal Controls

1. Identifying and assessing the principal risks of the GENIVAR Entities' business, and ensuring the implementation of appropriate systems to manage these risks;
2. Ensuring the integrity of the GENIVAR Entities' internal control system and management information systems and the safeguarding of the GENIVAR Entities' assets;

3. Reviewing, approving, and as required, overseeing compliance with the GENIVAR Entities' Disclosure and Trading Policy by trustees/directors, officers and other management personnel and employees;
4. Reviewing, approving and overseeing the GENIVAR Entities' disclosure controls and procedures;
5. Reviewing and approving the Code of Business Conduct of the GENIVAR Entities with the purpose of promoting integrity and deterring wrongdoing, and encouraging and promoting a culture of ethical business conduct and as required, overseeing compliance with the GENIVAR Entities' Code of Business Conduct by trustees/directors, officers and other management personnel and employees.

E. Financial Reporting, Auditors and Transaction

1. Reviewing and approving, as required, the GENIVAR Entities' financial statements and related financial information;
2. Appointing, subject to approval of unitholders, (including terms and review of engagement) and removing of the unitholders' auditor;
3. Appointing (including responsibilities, budget and staffing) and removing of the GENIVAR Entities' internal auditor;
4. Delegating (to the extent permitted by law) to the Chief Executive Officer, other officers and management personnel appropriate powers to manage the business and affairs of the GENIVAR Entities.

F. Legal Requirements and Communication

1. Overseeing the adequacy of the GENIVAR Entities' processes to ensure compliance by the GENIVAR Entities with applicable legal and regulatory requirements;
2. Establishing measures for receiving feedback from stakeholders.

G. Other

1. Reviewing and approving, as required, the GENIVAR Entities' environmental policies and ensuing management systems;
2. Reviewing, approving, and as required, overseeing trustees/directors, other officers and management personnel and employees compliance with the GENIVAR Entities' health and safety policies and practices;
3. Performing any other function as prescribed by law or as not delegated by the Board to one of the committees of the Board or to management personnel.

Chairman of the Board

1. Appointment

The Board shall appoint its Chairman from the GENIVAR Entities' independent trustees/directors.

2. Duties and Responsibilities of the Chairman

The Chairman provides leadership to the independent trustees/directors and is responsible to effectively manage the affairs of the Board and ensure that the Board is properly organized and functions efficiently. The Chairman also advises the Chief Executive Officer in all matters concerning the interests of the Board and the relationships between management personnel and the Board.

More specifically, the Chairman shall:

A. *Strategy*

1. Provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Board charter and as otherwise may be appropriate;
2. Work with the Chief Executive Officer, other officers and senior management personnel to monitor progress on the strategic plan, annual budgets, policy implementation and succession planning.

B. *Advisor to the Chief Executive Officer*

1. Provide advice, counsel and mentorship to the Chief Executive Officer and fellow members of the Board;
2. In consultation with the Chief Executive Officer, ensure that there is an effective relationship between management personnel and the members of the Board.

C. *Board structure and management*

1. Ensure that the Board acts and functions independently from management in fulfilling its fiduciary obligations;
2. Ensure the proper flow of information to the Board;
3. Provide input on the frequency, dates and locations of the meetings of the Board and on the preparation of the meeting agendas to ensure the Board efficiently carries out its duties and responsibilities;
4. Ensure the independent trustees/directors have the opportunity, at each regularly scheduled meeting, to meet separately without non-independent trustees/directors and management personnel present;
5. Chair the meetings of the independent trustees/directors and prepare the agendas for such meetings;

D. *Other*

1. Carry out special assignments or any functions as requested by the Board.

