



**TRANSEASTERN POWER TRUST**

**NOTICE OF ANNUAL MEETING OF UNITHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**MAY 25, 2015**

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## TRANSEASTERN POWER TRUST

### NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of the holders of units (collectively, the “**Unitholders**” or individually, a “**Unitholder**”) of Transeastern Power Trust (the “**Trust**”) will be held at the offices of Aird & Berlis LLP, Brookfield Place, 181 Bay Street, Suite 1800, Toronto, Ontario, M5J 2T9 on Wednesday, June 24, 2015 at the hour of 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Trust for the financial period ended December 31, 2014, together with the report of the auditor thereon;
2. to elect the directors of Transeastern Power Administrator Inc., the administrator of the Trust;
3. to appoint Ernst & Young LLP, Chartered Accountants, Licensed Public Accountants, as auditor of the Trust for the ensuing year and to authorize the directors of the Administrator to fix its remuneration; and
4. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual Meeting of Unitholders is the Circular and a copy of the audited financial statements of the Trust for the financial period ended December 31, 2014, together with the report of the auditor thereon.

A Unitholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Trust’s transfer agent and registrar, Equity Financial Trust Company, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, on or before 10:00 a.m. on Monday, June 22, 2015 or deliver it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

Unitholders who are unable to be present personally at the Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. If you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification. The record date for the determination of those Unitholders entitled to receive the Notice of Annual Meeting of Unitholders and to vote at the Meeting is the close of business on May 15, 2015.

DATED at Toronto, Ontario this 25<sup>th</sup> day of May, 2015.

BY ORDER OF THE BOARD

*“Ravi Sood”*

Ravi Sood  
Chairman

**TRANSEASTERN POWER TRUST**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES**

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (“**Management**”) of Transeastern Power Administrator Inc. (the “**Administrator**”), the administrator of Transeastern Power Trust (the “**Trust**”), for use at the annual meeting (the “**Meeting**”) of unitholders (collectively, the “**Unitholders**” or individually, a “**Unitholder**”) of the Trust (the “**Units**”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual Meeting of Unitholders (the “**Notice**”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by employees of the Administrator. The cost of solicitation will be borne by the Trust.

Although Unitholders are not shareholders of the Administrator, pursuant to the voting agreement (the “**Voting Agreement**”) among Equity Financial Trust Company, in its capacity as trustee of the Trust (the “**Trustee**”), as agent for the Unitholders, the Administrator and Transeastern Management Inc. dated February 4, 2014 (the “**Administrator Shareholder**”), the Administrator Shareholder agreed to vote its shares of the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the appointment of the auditor of the Trust and the election of the directors of the Administrator. See the summary of the “**Voting Agreement**” in the final prospectus of the Trust dated March 31, 2014 (the “**Prospectus**”) for further details. Copies of the Voting Agreement and the Prospectus are available on the Trust’s SEDAR profile at [www.SEDAR.com](http://www.SEDAR.com).

Except as noted below, the Trust has distributed or made available for distribution, copies of the Notice, Circular and form of proxy or voting instruction form (if applicable) (the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Unitholders (as defined below) whose Units are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Unitholders unless a Beneficial Unitholder has waived the right to receive them. The Trust has elected to pay for the delivery of the Meeting Materials to objecting Beneficial Unitholders by the Intermediaries. The Trust is sending proxy-related materials directly to non-objecting Beneficial Unitholders, through the services of its transfer agent and registrar, Equity Financial Trust Company. The solicitation of proxies from Beneficial Unitholders will be carried out by the Intermediaries or by the Trust if the names and addresses of the Beneficial Unitholders are provided by Intermediaries. The Trust will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Trust is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Unitholders or Beneficial Unitholders.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed form of proxy are officers and/or directors of the Administrator. **A Unitholder has the right to appoint a person (who need not be a Unitholder) to attend and act for such Unitholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Trust’s transfer agent and registrar, Equity Financial Trust Company, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1 not later than 10:00 a.m. on Monday, June 22, 2015 or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Unitholder or his, her or its attorney duly authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Unitholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Unitholder or by such Unitholder's attorney duly authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
  - (i) at the registered office, 181 Bay Street, Suite 1800, Toronto, Ontario M5J 2T9, at any time up to and including Tuesday, June 23, 2015; or
  - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

### EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Units in respect of which they are appointed in accordance with the direction of the Unitholders appointing them. **In the absence of such direction, such Units will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the Management knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the Management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

### ADVICE TO BENEFICIAL UNITHOLDERS

**Unitholders should note that only proxies deposited by Unitholders whose names appear on the records of the Trust as the registered holders of Units, or non-objecting beneficial owners whose names has been provided to the Trust's registrar and transfer agent, can be recognized and acted upon at the Meeting.** The information set forth in this section is therefore of significant importance to a substantial number of Unitholders who do not hold their Units in their own name (referred to in this section as "**Beneficial Unitholders**"). If Units are listed in an account statement provided to a Unitholder by an Intermediary, then in almost all cases those Units will not be registered in such Unitholder's name on the records of the Trust. Such Units will more likely be registered under the name of the Unitholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Units are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Units held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Unitholder. Without specific instructions, Intermediaries are prohibited from voting Units for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Unitholders in advance of Unitholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Units are voted at the Meeting. Often the form of proxy supplied to a Beneficial Unitholder by its Intermediary is identical to the form of proxy provided by the Trust to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Unitholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Unitholders and asks the Beneficial Unitholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then

tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. A Beneficial Unitholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Units directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Units voted.

Although Beneficial Unitholders may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of their Intermediary, a Beneficial Unitholder may attend the Meeting as proxyholder for the Intermediary and vote their Units in that capacity. Beneficial Unitholders who wish to attend the Meeting and indirectly vote their own Units as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Unitholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to Unitholders in this Circular and the accompanying form of proxy and Notice are to Unitholders of record unless specifically stated otherwise.

#### NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The Meeting Materials are being sent to both registered and Beneficial Unitholders. If you are a Beneficial Unitholder, and the Trust or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Units, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Trust (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The close of business on Friday, May 15, 2015 has been fixed as the record date (the “**Record Date**”) for the purposes of determining Unitholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 11,970,341 Units carrying the right to one vote per Unit at the Meeting were issued and outstanding.

The Trust will prepare a list of Unitholders on the Record Date. Each holder of Units named on the list will be entitled to vote the Units shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Administrator, as at the date of this Circular, the only persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Trust carrying 10% or more of the voting rights attached to the Units are as follows:

Name	Number of Units Owned (Percentage of Class and Type of Ownership)	
	Units	Percentage of Voting Rights
SAI SIRA S.A.	7,434,943 <sup>(1)</sup>	62.1%

**Note:**

(1) Based upon information available on the public record.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The principal objectives of the compensation strategy of the Administrator, the Trust and the Trust's direct and indirect subsidiaries (collectively, the "**Transeastern Group**") is to: (a) to attract and retain qualified management; (b) to have a compensation package that is competitive within the marketplace; (c) to align management's interests with those of the Unitholders; and (d) to reward the demonstration of both leadership and performance.

### *Elements of Compensation*

#### Base Salary

Each Named Executive Officer (as such term is defined below under "Summary Compensation Table – Named Executive Officers") receives a base salary, which constitutes a significant portion of the Named Executive Officer's compensation package. Base salary is recognition for discharging day-to-day duties and responsibilities and reflects the Named Executive Officer's performance over time, as well as that individual's particular experience and qualifications. Each Named Executive Officer's base salary is reviewed by the board of directors of the Administrator (the "**Board**") at the recommendation of the Compensation Committee of the Board (the "**Compensation Committee**") on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years. The base salary of each Named Executive Officer will reflect the complexity of the Named Executive Officer's role in addition to the amount of industry experience they possess. Salaries will be reviewed annually and compared to industry peers through publicly available documents and available compensation surveys prepared by compensation consultants. Consideration will be given to the growth plans of the Transeastern Group and the objective to attract and retain talented individuals from the industry.

#### Performance Bonus

In addition to receiving a base salary, the Named Executive Officers may be awarded such monetary bonuses as may be determined from time to time by the Board at the recommendation of the Compensation Committee. The amount of the cash award or "bonus" will be determined by reference to a target percentage of base salary. Bonus awards for the Named Executive Officers, excluding the Chief Executive Officer, will be recommended by the Chief Executive Officer and reviewed and approved by the Compensation Committee. Bonus awards for the Chief Executive Officer will be recommended by the Compensation Committee and approved by the Board. Peer performance and practices will also be considered each year in determining the final amounts to be awarded. The targeted bonus percentage for the Named Executive Officers will be 100% of base salary. The performance bonus is intended to link pay to annual performance that will increase Unitholder value. The primary objective of bonus payments is to motivate and reward the Named Executive Officers for meeting the Trust's short-term objectives using a performance-based compensation program.

#### Incentive Plans

The Named Executive Officers and directors of the Administrator are eligible to participate under the Trust's two incentive compensation plans – the restricted trust unit plan (the "**RTU Plan**") and the unit purchase plan (the "**UPP**", together with the RTU Plan, the "**Incentive Plans**"). The Incentive Plans are intended to encourage participants to focus on creating and improving the Trust's long-term financial success by providing participants an opportunity to increase their ownership interests in the Trust. The Board believes that the Incentive Plans align the interests of the Named Executive Officers and the Board with Unitholders by linking a component of executive compensation to the longer term performance of the Units. For greater details on the Incentive Plans, refer to the section entitled "Incentive Plans" below.

### ***Compensation of Directors***

The following table illustrates the compensation structure for the non-executive directors.

<b>Annual Retainer</b>	
Non-executive director	\$20,000
Chairman – Audit and Risk Committee	\$10,000
Chairman – Governance & Nomination Committee	\$2,500
Chairman – Compensation Committee	\$2,500

In addition to the fees set out above, the Administrator will also reimburse Administrator directors for reasonable out-of-pocket expenses for attending meetings. Officers of the Administrator who also act as directors will not receive any additional compensation for services rendered in such capacity, other than as paid by the Administrator in their capacity as officers.

### ***Compensation Risk***

The Board and, as applicable, the Compensation Committee, considers and assesses the implications of risks associated with the Transeastern Group’s compensation policies and practices and devotes such time and resources as is believed to be necessary in the circumstances. The Transeastern Group’s practice of compensating its officers primarily through a mix of salary and Unit-based awards is designed to mitigate risk by: (i) ensuring the retention of such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Transeastern Group and its Unitholders. As at the date of this Circular, the Board had not identified risks arising from compensation policies and practices that are reasonably likely to have a material adverse effect on the Transeastern Group.

### ***Financial Instruments***

The Named Executive Officers and directors of the Administrator are prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities of the Trust granted as compensation or held, directly or indirectly, by a Named Executive Officer or director.

### ***Compensation Governance***

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee and has reviewed and approved the Compensation Committee’s Charter. The Compensation Committee is composed of John Huxley, Ravi Sood and Joel Strickland. Messrs. Huxley and Strickland are independent as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”).

The Compensation Committee meets on compensation matters as and when required with respect to executive compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the Named Executive Officers and the Administrator’s other senior officers is determined with regard to the Transeastern Group’s business strategies and objectives, such that the financial interest of the senior officers is aligned with the financial interest of Unitholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee in making informed decisions on the suitability of the Administrator's compensation policies and practices. Each of the members of the Compensation Committee has extensive experience as a director and/or officer of other public companies, as described under "Particulars of Matters to be Acted Upon - Election of Directors" in this Circular.

### **Management Agreements – Termination and Change of Control Benefits**

Set forth below is a summary of the significant terms of the service agreement with each Named Executive Officer.

#### *Chief Executive Officer*

Mr. J. Colter Eadie, a corporation controlled by Mr. Eadie ("**Eadie Holdings**") and the Administrator, in its capacity as administrator of the Trust, are party to a services agreement (the "**CEO Agreement**") whereby the services of Eadie Holdings are provided by Mr. Eadie, who acts as Chief Executive Officer of the Trust. The CEO Agreement is effective indefinitely until it is terminated in accordance with its terms. Pursuant to the CEO Agreement, the Administrator has agreed to pay Eadie Holdings annual base compensation of \$150,000 per year. Eadie Holdings may be awarded such monetary bonus payment as may be determined from time to time by the Board or the Compensation Committee, acting in their sole discretion. The CEO Agreement also provides that Mr. Eadie shall receive benefits, an allowances including medical, health and dental coverage for Mr. Eadie and his family, accommodations, child cares and schooling for Mr. Eadie's children, up to \$40,000 per calendar year in personal travel expenses for Mr. Eadie and his family and a vehicle allowance.

The CEO Agreement may be terminated by the Administrator at any time (subject to certain conditions) in the event of, among other things, a material breach of the CEO Agreement, gross negligence, wilful or gross misconduct, criminal conviction of Mr. Eadie or Eadie Holdings, theft, fraud dishonesty or misconduct involving the property, business or affairs of the Trust, or material violation of the Transeastern Group's code of conduct by Eadie Holdings or Mr. Eadie. In the event of termination in such cases, the Transeastern Group shall have no further payment obligations to Eadie Holdings or Mr. Eadie except in respect of payment for outstanding annual base compensation and earned but unpaid bonuses.

The CEO Agreement may also be terminated unilaterally by either the Administrator or Eadie Holdings for any reason upon the Administrator providing two months' written notice to Eadie Holdings or by Eadie Holdings providing three months' written notice to the Administrator. In the event of such termination of the CEO Agreement by the Administrator, the Administrator must pay Eadie Holdings a lump sum (the "**CEO Lump Sum Payment**") equal to the annual base compensation and the most recently paid annual bonus. The CEO Agreement will also be terminated if the Unitholders of the Trust do not elect or re-elect Mr. Eadie as a director of the Administrator or if the Unitholders remove Mr. Eadie as a director of the Administrator, in each case at a duly called meeting and following which he shall be entitled to receive the CEO Lump Sum Payment. In the event of unilateral termination by the Trust or if the Unitholders do not re-elect Mr. Eadie, all Unit-based awards and other entitlements pursuant to any security compensation arrangements of the Trust shall immediately and automatically become fully vested and shall be exercisable by, or issuable to, Eadie Holdings or Mr. Eadie within the time period provided for in the applicable security compensation arrangement.

In the event of a change in control of the Trust (as defined in the CEO Agreement), Mr. Eadie may, within 30 days after such event, provide notice to terminate the CEO Agreement and as a result shall be entitled to: (i) the CEO Lump Sum Payment within 15 days of such notice; (ii) the immediate vesting of all Unit-based awards held by Eadie Holdings and Mr. Eadie, which shall be exercisable within the time

period provided for in the Incentive Plans; and (iii) Mr. Eadie and Eadie Holdings shall be entitled to a reimbursement of up to \$20,000 for moving costs.

The following are estimates of the incremental amounts payable by the Administrator in such circumstances:

	Unilateral termination	Not elected by unitholders	Change in control
Fees/Payment	\$150,000	\$150,000	\$150,000
Incentive Plans	-	-	-
Benefits	-	-	\$20,000
<b>Total Compensation</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$170,000</b>

*Chief Financial Officer (Former)*

Mr. Ashish Kapoor, a corporation controlled by Mr. Kapoor (“**Kapoor Holdings**”) and the Administrator, in its capacity as administrator of the Trust, were parties to a services agreement (the “**Executive Agreement**”) whereby the services of Kapoor Holdings were provided by Mr. Kapoor. Mr. Kapoor acted as the Chief Financial Officer of the Administrator up until his resignation on April 6, 2015. No further change of control payments are owing to Mr. Kapoor pursuant to the terms of the Executive Agreement following his resignation. Mr. Kapoor continues to be available to the Transeastern Group as a consultant on an as-needed basis.

*Chief Financial Officer (Current)*

Mr. Mike Murphy who acts as Chief Executive Officer of the Trust and the Administrator are parties to an executive services agreement (the “**CFO Agreement**”). The CFO Agreement is effective indefinitely until it is terminated in accordance with its terms. Pursuant to the CFO Agreement, the Administrator has agreed to pay Mr. Murphy annual base compensation of \$200,000 per year. Mr. Murphy may be awarded such monetary bonus payment as may be determined from time to time by the Board or the Compensation Committee, acting in their sole discretion. The CFO Agreement also provides that Mr. Murphy shall be entitled to participate in any restricted trust unit plan, employee unit purchase plan, option plan or other compensation arrangement of the Trust and to participate in medical and health benefit plans of the Trust.

The CFO Agreement may be terminated by the Administrator at any time (subject to certain conditions) in the event of, among other things, a material breach of the CFO Agreement, gross negligence, wilful or gross misconduct, criminal conviction of Mr. Murphy, theft, fraud dishonesty or misconduct involving the property, business or affairs of the Trust, or material violation of the Transeastern Group’s code of conduct by Mr. Murphy. In the event of termination in such cases, the Transeastern Group shall have no further payment obligations to Mr. Murphy except in respect of payment for outstanding annual base compensation and earned but unpaid bonuses.

The CFO Agreement may also be terminated unilaterally by either the Administrator or Mr. Murphy for any reason upon the Administrator providing two months’ written notice to Mr. Murphy or by Mr. Murphy providing three months’ written notice to the Administrator. In the event of such termination of the CFO Agreement by the Administrator, the Administrator must pay Mr. Murphy a lump sum (the “**CFO Lump Sum Payment**”) equal to the 50% of the annual base compensation plus 50% of the most recently paid annual bonus.

In the event of a change in control of the Trust (as defined in the CFO Agreement), Mr. Murphy may, within 30 days after such event, provide notice to terminate the CFO Agreement and as a result shall be entitled to: (i) 100% of the annual base compensation plus 100% of the most recently paid annual bonus; and (ii) the immediate vesting of all Unit-based awards held by Mr. Murphy, which shall be exercisable within the time period provided for in the Incentive Plans.

The following are estimates of the incremental amounts payable by the Administrator in such circumstances:

	Unilateral termination	Change in control
Fees/Payment	\$100,000	\$200,000
Incentive Plans	-	-
Benefits	-	-
<b>Total Compensation</b>	<b>\$100,000</b>	<b>\$200,000</b>

### Summary Compensation Table – Named Executive Officers

The following table sets forth the compensation paid or awarded to the following individuals: (i) the Chief Executive Officer; and (ii) the former Chief Financial Officer (collectively, the “**Named Executive Officers**”) for the period commencing at the date of the formation of the Trust on February 4, 2014 and ended December 31, 2014.

Name and principal position	Year	Salary/Fee (\$) <sup>(1)</sup>	Unit-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total compensation (\$)
					Annual incentive plans	LTIP			
J. Colter Eadie, Chief Executive Officer	2014	104,053	-	-	-	-	-	281,492 <sup>(3)</sup>	385,545
Ashish Kapoor, Former Chief Financial Officer <sup>(4)</sup>	2014	58,333	-	-	-	-	-	17,264	75,597

**Notes:**

- (1) Each NEO is employed by the Administrator.
- (2) The Trust and the Administrator entered into Milestone Unit Agreements with certain directors, officers and employees of the Transeastern Group as a result of the dedication of significant time, effort and financial and other resources to assist in the establishment and development of the business of the Transeastern Group and the completion of the initial public offering of the Trust without receiving compensation therefor. The Milestone Unit Agreements are not considered part of the Transeastern Group’s ongoing compensation structure or incentive plans. In 2014, the grant date fair value of the Milestone units awarded to Mr. Eadie and Mr. Kapoor were \$67,676 and \$17,264, respectively. For further details on the Milestone Unit Agreements please refer to the financial statements of the Trust.
- (3) “All other compensation” for Mr. Eadie includes school fee allowance, rental allowance and car allowance for Mr. Eadie and his family living in Romania as well as the grant date fair value of Milestone Units awarded.
- (4) Mr. Kapoor was the Chief Financial Officer of the Administrator from October 22, 2013 until the appointment of Mr. Mike Murphy as Chief Financial Officer on April 6, 2015.

### *Incentive Plan Awards – Named Executive Officers*

#### *Outstanding Unit-Based Awards and Option-Based Awards*

There were no unit-based and option-based awards outstanding for the Named Executive Officers as of December 31, 2014.

#### *Incentive Plan Awards – Value Vested or Earned During the Year*

There were no incentive plan awards vested or earned for the Named Executive Officers during the period ended December 31, 2014.

## *Incentive Plans*

### *Restricted Trust Unit Plan (RTU Plan)*

The purpose of the RTU Plan is to advance the interests of the Transeastern Group by: (a) increasing the proprietary interests of directors, officers, employees and consultants of the Transeastern Group (“**RTU Participants**”) in the Trust; (b) aligning the interests of RTU Participants with the interests of the Unitholders generally; (c) encouraging RTU Participants to remain associated with the Transeastern Group; and (d) furnishing the RTU Participants with an additional incentive in their efforts on behalf of the Transeastern Group.

Pursuant to the RTU Plan, the Administrator may, in its sole discretion, elect to grant restricted trust units (“**RTUs**”) to RTU Participants in such number, at such times and on such terms and conditions, as the Administrator may, in its sole discretion, determine. Unless otherwise determined by the Administrator at the time of grant, all RTUs will vest in three equal instalments on the first, second and third anniversaries of the date of the grant, subject to other vesting conditions and blackout extensions. All unvested RTUs will generally vest on the occurrence of a Change of Control (as defined in the RTU Plan).

On a date on or before the date which is three years following the end of the year in respect of which the RTUs were granted (the “**RTU Entitlement Date**”), the Trust shall redeem such RTUs and the holder should receive, subject to applicable withholding taxes, for each RTU redeemed either: (a) the cash equivalent of one Unit; or (b) at the election of the Trust, one Unit, which may be issued from treasury or purchased by a designated broker on the TSX Venture Exchange (“**TSXV**”). The determination of the value of the cash equivalent of Units will be determined based upon the volume weighted average trading price of the Units on the TSXV for the last five trading days prior to the date of calculation. A RTU Participant’s RTU account will be credited with additional RTUs in respect of any distributions declared by the Trust on the Units that would have been paid to the RTU Participant if the RTUs in the RTU Participant’s account were outstanding Units during the relevant period.

Pursuant to the RTU Plan, the number of Units reserved for issuance pursuant to the redemption of RTUs was fixed at 1,104,580 Units. If any RTUs are redeemed, the number of Units to which such redeemed RTUs relate shall be available for the purpose of granting additional RTUs under the RTU Plan. In addition, if any RTUs expire or terminate for any reason without having been redeemed, any unissued Units to which such RTUs relate shall be available for the purposes of granting additional RTUs under the RTU Plan.

The Administrator will determine the RTU Participants who shall participate under the RTU Plan and the number of RTUs granted to such RTU Participants, provided that: (a) the aggregate number of Units reserved for issuance under RTUs granted to any one RTU Participant shall not exceed 5% of the issued and outstanding Units at the grant date, calculated on a non-diluted basis; (b) the aggregate number of Units which may be reserved for issuance to “insiders” (as such term is referred to in the policies of the TSXV), under the RTU Plan and all other security-based compensation arrangements of the Trust shall not, in the aggregate, exceed 10% of the issued and outstanding Units at the date of grant, calculated on a non-diluted basis; (c) during any one-year period, the Compensation Committee shall not grant to such insiders, under the RTU Plan and all other security-based compensation arrangements of the Trust, in the aggregate, a number of Units exceeding 10% of the issued and outstanding Units, calculated on a non-diluted basis; and (d) the aggregate number of Units issuable on the settlement of Units outstanding at any time held by directors of the Administrator who are not officers or employees of the Transeastern Group shall be limited to 1% of the issued and outstanding Units.

Subject to termination by reason of death or termination other than for cause and subject to the provisions of any applicable employment or RTU award agreement, unless otherwise determined by the Administrator in its sole discretion, upon the RTU Participant terminating employment with the Transeastern Group for any reason including, without limitation, due to involuntary termination with

cause or voluntary termination by the RTU Participant, all RTUs previously credited to such RTU Participant which did not vest on or prior to the RTU Participant's termination date shall be terminated and forfeited as of the RTU Participant's termination date. Upon termination by reason of death or termination other than for cause, a proportion of a RTU Participant's RTUs will vest, with such proportion being determined based upon the RTU Participant's termination date relative to the date of grant and vesting date.

The Administrator may, at any time, amend, suspend or terminate the RTU Plan, or any portion thereof, or any RTU granted thereunder, without Unitholder approval, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSXV), if any, that require the approval of Unitholders or any governmental or regulatory body. However, except as expressly set forth in the RTU Plan, no action of the Board or Unitholders shall alter or impair the rights of a RTU Participant under any RTU previously granted to the RTU Participant without the consent of the affected RTU Participant.

#### *Unit Purchase Plan (UPP)*

The purpose of the UPP is to advance the interests of the Trust by encouraging equity participation in the Trust by the directors, officers and employees of the Transeastern Group. The UPP will permit directors, officers and employees of the Transeastern Group to participate in the UPP Plan once they have completed twelve months of service (the "**Qualifying Participants**"). On June 15 and December 15 of each year, Qualifying Participants will be entitled to purchase Units with an aggregate value of a maximum amount of \$12,500. Accordingly, the maximum amount that will be permitted to be invested by a Qualifying Participant under the UPP in any calendar year is \$25,000. The subscription price of the Units under the UPP will be the market price (as such term is defined in the UPP) prior to the applicable June 15 or December 15 date. The Qualifying Participants will be required to hold the Units purchased under the UPP for a minimum period of three months.

On each of June 15 and December 15, a Qualifying Participant will be entitled to receive a matching number of Units (the "**Matching Units**") as were subscribed for by such Qualifying Participant at no cost to the Qualifying Participant. The Matching Units will be issued to the Qualifying Participant in equal annual instalments over a three year period following the date of the subscription of the Units by the Qualifying Participant, as long as the Qualifying Participant is a director, officer or employee of the Transeastern Group at that time. No Units will be issued under the UPP at any time to any insider of the Transeastern Group if such issuance could result at any time in: (i) the number of Units issued to insiders pursuant to the UPP within any one year period exceeding 10% of the outstanding Units; or (ii) the number of Units issuable to insiders at any time pursuant to the UPP exceeding 10% of the outstanding Units. Further, the total number of Units issued from treasury under the UPP cannot exceed 1,104,580 Units.

Under the UPP, the Trust may issue Units to Qualifying Participants who meet certain conditions as set out in the UPP. The Board has the ability, in its discretion, to provide Units to Qualifying Participants under the UPP through open market purchases as well as through issuances from treasury.

If and whenever at any time the Trust shall: (i) subdivide or redivide the outstanding Units into a greater number of Units; (ii) reduce, combine or consolidate the outstanding Units into a smaller number of Units; or (iii) issue Units or securities convertible into Units to the holders of all or substantially all of the outstanding Units by way of a dividend or distribution (other than the issue of securities to holders of Units who have elected to receive dividends or distributions in the form of securities of the Trust under the DRIP in the ordinary course), an appropriate and proportionate adjustment shall be made by the Board, in its discretion, to: (a) the aggregate number of Units reserved for issuance under the UPP; and (b) the number of Matching Units issuable to Qualifying Participants. Determinations by the Board as to what adjustments shall be made, and the extent thereof, are subject to any necessary approvals of the TSXV.

The Trust shall not be obligated to issue fractional Units in satisfaction of any of its obligations under the UPP. In the event that a “take-over bid” (within the meaning of applicable Canadian securities laws) is made for all of the issued and outstanding Units, then all Matching Units which have not yet been earned by Qualifying Participants as of the date of the bid will be deemed to have been earned and the Trust will immediately issue and deliver such Matching Units to each Qualifying Participant. In the event that a take-over bid is made for a portion of the issued and outstanding Units, the Board may, in its discretion, determine that all Matching Units which have not yet been earned by Qualifying Participants as of the date of the bid will be deemed to have been earned and the Trust will immediately issue and deliver such Matching Units to each Qualifying Participant. Subject to any required TSXV or Unitholder approvals, the UPP may be amended from time to time by the Board although such changes cannot impair existing entitlements

## Director Compensation

### *Director Compensation Table*

The following table sets forth all amounts of compensation provided to the directors of the Administrator (other than directors who are also Named Executive Officers) during the financial period ended December 31, 2014:

Name <sup>(1)</sup>	Fees Earned <sup>(3)</sup> (\$)	Unit-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total (\$)
Ravi Sood	0	-	-	-	-	148,127	148,127
John M. H. Huxley	30,000	-	-	-	-	-	30,000
Petru Lificiu	20,000	-	-	-	-	-	20,000
Joel Strickland	20,000	-	-	-	-	-	20,000

#### Notes:

- (1) Information regarding compensation paid to Mr. Eadie is set out above under “Summary Compensation Table – Named Executive Officers”.
- (2) The Trust and the Administrator entered into Milestone Unit Agreements with certain directors, officers and employees of the Transeastern Group as a result of the dedication of significant time, effort and financial and other resources to assist in the establishment and development of the business of the Transeastern Group and the completion of the initial public offering of the Trust without receiving compensation therefor. The grant date fair value of the milestone units awarded is included in “all other compensation”. The Milestone Unit Agreements are not considered part of the Transeastern Group’s ongoing compensation structure or incentive plans. For further details on the Milestone Unit Agreements please refer to the financial statements of the Trust.
- (3) Note that Ravi Sood is Executive Chairman and has waived additional annual compensation due to him as Chairman of the Compensation Committee and the Governance & Nomination Committee.

To date, no director has received any fees earned.

### *Incentive Plan Awards - Outstanding Unit-Based Awards and Option-Based Awards*

There were no awards outstanding for each of the directors of the Administrator as of December 31, 2014.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

There were no incentive plan awards vested or earned by each director of the Administrator during the period ended December 31, 2014. There were no awards of RTUs made under the RTU Plan in 2014.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Units to be issued: (i) pursuant to the RTU Plan; and (ii) pursuant to the Unit Purchase Plan as at December 31, 2014:

Plan Category	Number of Units to be issued pursuant to RTU Plan and UPP Plan	Weighted-average exercise price of Units to be issued pursuant to RTU Plan and UPP Plan	Number of Units remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	-	N/A	1,104,580 <sup>(1)</sup>
	-	N/A	1,104,580 <sup>(2)</sup>
Equity compensation plans not approved by security holders	-	-	-
Total	-		2,209,160

**Notes:**

- (1) Represents the amount of available RTUs to be issued pursuant to the RTU Plan. See “Incentive Plans” above for further details.
- (2) Represents the amount of available Units and Matching Units issuable pursuant to the UPP. See “Incentive Plans” above for further details.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Transeastern Group is indebted to the Administrator, the Trust or any subsidiary of the Transeastern Group pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial period ended December 31, 2014 was, a director or executive officer of the Transeastern Group, a proposed management nominee for election as a director of the Transeastern Group, or an associate of any such director, executive officer or proposed nominee, was indebted to any entity in the Transeastern Group during the financial period ended December 31, 2014 or as at the date of this Circular in connection with security purchase programs or other programs.

## REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Management as both believe that effective corporate governance will help create and maintain Unitholder value in the long term. A description of the Transeastern Group’s corporate governance practices, which addresses the matters set out in NI 58-101, is set out in Schedule “A” to this Circular.

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee’s primary purpose is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and accounting compliance, the audit process and processes for identifying, evaluating and monitoring Management’s principal risks impacting financial reporting. The committee also assists the Board with the oversight of financial strategies and overall risk management.

The Audit and Risk Committee is composed of John M. H. Huxley (Chair), Joel Strickland and Petru Lificiu, each of whom is a director of the Administrator. In accordance with TSXV Policy 3.1, the majority of the Audit and Risk Committee are not employees, Control Persons (as defined by the rules and policies of the TSXV) or officers of the Administrator. All of the members of the Audit and Risk Committee are “independent” as such term is defined in National Instrument 52-110 – *Audit Committees*

(“**NI 52-110**”). The Administrator is of the opinion that all three members of the Audit and Risk Committee are “financially literate” as such term is defined in NI 52-110. A copy of the charter of the Audit and Risk Committee (the “**Audit Committee Charter**”) is attached as Schedule “B” to this Circular.

#### Relevant Education and Experience

All the members of the Audit and Risk Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Trust’s financial statements.

**John M. H. Huxley** was most recently a principal of Algonquin Management Inc. and was the manager of the Algonquin Power Income Fund from 1997 until his retirement in 2006. Prior to that, he was the President of Algonquin Power Corporation. He has been on the board of directors of Kinross Gold Corporation since 1993, currently serving as the Chair of the governance committee and serving on both the audit and compensation committees.

**Joel Strickland** is a graduate of the Richard Ivey School of Business HBA program. Mr. Strickland has held senior executive roles with a number of companies and was previously a fixed-income trader, holding progressively senior positions at investment banks in Toronto and New York. Mr. Strickland is Chairman and has served on the audit committee of Zaido Corporation. He also serves on the audit committee of Feronia Inc.

**Dr. Petru Lificiu** was previously the President of ANRE, the Romanian national energy regulator. Prior to serving as President of ANRE, Dr. Lificiu was Secretary of State and Minister of the Ministry of Agriculture, Forest, Waters, and Environment (successor to the Ministry of Water and Environmental Protection). Dr. Lificiu holds a doctorate in energy sciences from the Polytechnic University of Bucharest, Faculty of Power Engineering, Thermohydraulics Department.

#### Audit Committee Oversight

At no time since the commencement of the Trust’s most recently completed financial period have any recommendations by the Audit and Risk Committee respecting the appointment and/or compensation of the Trust’s external auditors not been adopted by the Board.

#### Reliance on Certain Exemptions

At no time since the commencement of the Trust’s most recently completed financial period has the Trust relied on exemptions in relation to “De Minimis Non-audit Services” or any exemption provided by Part 8 of NI 52-110.

#### Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit and Risk Committee Charter, the Audit and Risk Committee shall pre-approve all non-audit services to be provided to the Trust or its subsidiary entities by the Trust’s external auditor.

#### External Auditor Service Fees (By Category)

The following table sets forth the aggregate fees billed by the Transeastern Group’s external auditors during the period ended December 31, 2014:

Financial Period Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2014	\$137,975	\$-	\$2,700	\$474,300

**Notes:**

- (1) The aggregate fees billed by external auditors for professional services rendered for the audit of the consolidated financial statements of the Transeastern Group.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Trust's financial statements and are not reported as "Audit fees".
- (3) The aggregate fees, billed by external auditors for the preparation of corporate tax returns, tax compliance, tax advice and tax planning services.
- (4) The aggregate fees, billed by external auditors for services rendered to the Transeastern Group, other than the services described above. These are comprised of \$425,000 in services relating to the Trust's initial public offering and \$49,300 relating to quarterly reviews of interim financial statements.

**Exemption**

The Trust is relying upon the exemption in section 6.1 of NI 52-110.

**INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed below, no "informed person" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or proposed nominee for election as a director of the Administrator or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Trust has participated since the commencement of the Trust's most recently completed financial period or in any proposed transaction which has materially affected or will materially affect the Trust.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**1. Election of Directors of the Administrator**

Pursuant to the terms of the Voting Agreement, the Administrator Shareholder will vote its shares of the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the election of the Administrator Directors. See "Voting Agreement" as summarized in the Prospectus for further details.

Management of the Administrator has nominated five directors for election at the Meeting, namely Ravi Sood, J. Colter Eadie, John M. H. Huxley, Joel Strickland and Amar Bhalla. Each director elected will hold office until the next annual meeting of Unitholders or until his successor is duly elected or appointed.

**UNITS REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES UNLESS A UNITHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS UNITS ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.**

**MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE UNITHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS UNITS ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.**

**Director Nominee Profiles**

The following tables set out certain information as at the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding Units owned by each director is presented to the best knowledge of Management and has been furnished to Management by such directors. Information regarding Board and committee meeting attendance is presented for meetings held in 2014.

<b>RAVI SOOD</b>		<b>Principal Occupation and Biography</b>		
 <p>Ontario, Canada Director Since: October 2013 <b>NOT INDEPENDENT</b></p>		<p>Mr. Sood is the Chairman of the Trust. Since September 2010, he has been the Chairman of Feronia Inc. (TSXV), an agricultural company focused on the production of palm oil in the Democratic Republic of the Congo. Since August 30, 2011 he has been the Chairman of Galane Gold Ltd. (TSXV), a gold producing company with operations in Botswana. He was previously the chief executive officer of Navina Asset Management Inc., a global asset management firm headquartered in Toronto, Canada, where he led the investment activities of Navina and its predecessor company, Lawrence Asset Management Inc., since its founding in 2001. Mr. Sood has been a founder of and the principal investor in several businesses and currently serves as a director of several public and private companies operating in the mining, energy and oil &amp; gas sectors. Mr. Sood was educated at the University of Waterloo (B. Math.) where he was a Descartes Fellow and the recipient of numerous national awards.</p>		
<b>Current Board/Committee Membership</b>	<b>Attendance</b>	<b>Attendance (Total)</b>		<b>Other Public Board Memberships</b>
Member of the Board	11 of 11	16 of 16	100%	Galane Gold Ltd. (TSXV) Feronia Inc. (TSXV)
Member of the Audit and Risk Committee	4 of 4			
Member of the Governance & Nomination Committee (Chair)	1 of 1			
Member of the Compensation Committee (Chair)	1 of 1			
<b>Number of Units Beneficially Owned, Controlled or Directed</b>				1,085,412

<b>J. COLTER EADIE</b>		<b>Principal Occupation and Biography</b>		
 <p>Bucharest, Romania Director Since: October 2013 <b>NOT INDEPENDENT</b></p>		<p>Mr. Eadie is the Chief Executive Officer of the Trust. He previously led the acquisition, development and/or approval of over 300 Acres in Southwestern Ontario and has carried out the master planning for over 1,200 homes and 50,000 sq. ft. of commercial space. Following this, he spent time as a real estate asset advisor; projects included advising a Tier 1 German Bank with headquarters in Munich in the disposition of a €70 million asset and advising on the refinancing of a US\$620 million hotel in downtown Las Vegas. Mr. Eadie spent two years developing a project pipeline through Romania and Eastern Europe and has extensive knowledge of the Romanian power sector.</p>		

Current Board/Committee Membership	Attendance	Attendance (Total)		Other Public Board Memberships
Member of the Board	11 of 11	11 of 11	100%	None
<b>Number of Units Beneficially Owned, Controlled or Directed</b>				-

<b>JOHN M. H. HUXLEY</b>		<b>Principal Occupation and Biography</b>		
 <p>Ontario, Canada Director Since: October 2013 <b>INDEPENDENT</b></p>		<p>Mr. Huxley was most recently a Principal of Algonquin Management Inc., and a manager of the Algonquin Power Income Fund, from 1997 until his retirement in 2006. Prior to that, he was the President of Algonquin Power Corporation, a builder, developer and operator of hydroelectric generating facilities in Canada and the United States. He holds a Bachelor of Laws degree from Osgoode Hall Law School. He is also a member of the Institute of Corporate Directors. He has been on the board of directors of Kinross Gold Corporation since 1993, serves as the Chairman of its governance committee and sits on both its audit and compensation committees. Mr. Huxley was also a director of Elgin Mining Inc. from 2008 until its sale in 2014 and the Chairman of its board from 2012 to 2014.</p>		
Current Board/Committee Membership	Attendance	Attendance (Total)		Other Public Board Memberships
Member of the Board	11 of 11	19 of 19	100%	Kinross Gold Corporation
Member of the Audit and Risk Committee (Chair)	6 of 6			
Member of the Governance & Nomination Committee	1 of 1			
Member of the Compensation Committee	1 of 1			
<b>Number of Units Beneficially Owned, Controlled or Directed</b>				-

<b>JOEL STRICKLAND</b>		<b>Principal Occupation and Biography</b>		
 <p>Ontario, Canada Director Since: October 2013 <b>INDEPENDENT</b></p>		<p>Mr. Strickland is a consultant and currently acts as Chairman of Zaio Corporation (2010 to present). He has substantial operational experience in Africa, including as founder and President of Buchanan Renewables Fuel Inc., a company that operated in Liberia, West Africa. Prior to founding Buchanan, Mr. Strickland held senior executive roles with a number of companies. He was also previously a fixed-income trader, holding progressively senior positions at investment banks in Toronto and New York. Mr. Strickland is a graduate of the Richard Ivey School of Business HBA program.</p>		
<b>Current Board/Committee Membership</b>	<b>Attendance</b>	<b>Attendance (Total)</b>		<b>Other Public Board Memberships</b>
Member of the Board	9 of 11	17 of 19	89%	Zaio Corporation (TSXV) Feronia Inc. (TSXV)
Member of the Audit and Risk Committee	6 of 6			
Member of the Governance & Nomination Committee	1 of 1			
Member of the Compensation Committee	1 of 1			
<b>Number of Units Beneficially Owned, Controlled or Directed</b>				-

<b>AMAR BHALLA</b>		<b>Principal Occupation and Biography</b>		
 <p>Ontario, Canada Director Since: N/A <b>INDEPENDENT</b></p>		<p>Mr. Bhalla is the President of Capit Investment Corp., an investment management firm focused on private equity and venture capital. He was also a partner at HB Investments Ltd., a firm focused on developing structured products for the retail marketplace. He previously served as Chief Executive Officer of Crescent Logic Inc., a Toronto-based software firm. Mr. Bhalla is the founder of: Carlaw Capital Corp., now Buffalo Coal Corp., a coal mining company which is listed on the TSX; Carlaw Capital II Corp., now ProntoForms Corporation, a mobile data solutions company which is listed on the TSXV; Carlaw Capital III Corp., now Galane Gold Ltd., a gold mining company which is listed on the TSXV; Carlaw Capital IV Inc., now OneRoof Energy Group, Inc., a solar services provider which is listed on the TSXV; and Carlaw Capital V Corp., a capital pool company. Mr. Bhalla received his C.F.A. designation in September 2004 and received his B.A. degree from McGill University in June 1999.</p>		
<b>Current Board/Committee Membership</b>	<b>Attendance</b>	<b>Attendance (Total)</b>		<b>Other Public Board Memberships</b>
N/A	N/A	N/A	N/A	Carlaw Capital V Corp. (TSXV) Galane Gold Ltd. (TSXV) ProntoForms Corporation (TSXV) LL Capital Corp. (TSXV)
<b>Number of Units Beneficially Owned, Controlled or Directed</b>				-

Corporate Cease Trade Orders

Except as disclosed herein, to the knowledge of the Trust, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any issuer (including the Trust) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant issuer access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “Order”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such issuer; or
- (b) was subject to an Order that was issued after the proposed director 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 of such issuer.

Ravi Sood and Amar Bhalla were directors of TriNorth Capital Inc., a reporting issuer that became subject to a cease trade order issued by the Ontario Securities Commission on May 19, 2010 as a result of the failure to file audited annual financial statements for the financial year ended December 31, 2009, the related management’s discussion and analysis and the certification of the foregoing filings when due as required by National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings. The order was revoked on July 6, 2010.

Mr. John Huxley was a director of Kinross Gold Corporation, a reporting issuer, and was subject to a management cease trade order issued by the Ontario Securities Commission on April 14, 2005 which superseded a temporary management cease trade order dated April 1, 2005 as a result of a failure of the company to file audited financial statements for the year ended December 31, 2004. The missed filings resulted from questions raised by the Securities and Exchange Commission about certain accounting practices related to the accounting for goodwill. The management cease trade order was lifted on February 22, 2006 when Kinross Gold Corporation completed the necessary filings following the SEC’s acceptance of the company’s accounting treatment for goodwill.

The foregoing information, not being within the knowledge of the Trust, has been furnished by the proposed directors.

Bankruptcies, or Penalties or Sanctions

To the knowledge of the Trust, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any issuer (including the Trust) that, 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;
- (b) has, within 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 his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Trust, has been furnished by the proposed directors.

## 2. **Appointment of Auditor**

Pursuant to the terms of the Voting Agreement, the Administrator Shareholder will vote its shares of the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the appointment of the Trust's auditor. See "Voting Agreement" as summarized in the Prospectus for details.

Management proposes to nominate Ernst & Young LLP, Chartered Accountants, Licensed Public Accountants, which firm has been auditor of the Trust since inception, as auditor of the Trust to hold office until the next annual meeting of Unitholders.

**UNITS REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF ERNST & YOUNG LLP, CHARTERED ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS, AS AUDITOR OF THE TRUST AND THE AUTHORIZING OF THE DIRECTORS OF THE ADMINISTRATOR TO FIX ITS REMUNERATION, UNLESS THE UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS UNITS ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No person or company who is, or at any time during the financial period ended December 31, 2014 was, a director or executive officer of the Trust, a proposed management nominee for election as a director of the Trust, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

### **ADDITIONAL INFORMATION**

Additional information relating to the Trust is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Trust's audited financial statements and Management's Discussion and Analysis ("MD&A") for the financial period ended December 31, 2014. In addition, copies of the Trust's annual financial statements and MD&A and this Circular may be obtained upon request to the Trust. The Trust may require the payment of a reasonable charge if the request is made by a person who is not a Unitholder of the Trust.

**APPROVAL OF BOARD**

The contents of this Circular and the sending of it to each director of the Administrator, to the auditor of the Trust, to the Unitholders and to the appropriate governmental agencies, have been approved by the Board.

Dated: May 25, 2015

*“Ravi Sood”*

Ravi Sood  
Chairman

**SCHEDULE “A”  
STATEMENT OF GOVERNANCE PRACTICES**

<b>Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)</b>	<b>Comments</b>
<b>Board of Directors</b>	
<p>1. Board of Directors—Disclose how the board of directors (the “<b>Board</b>”) of Transeastern Power Administrator Inc. (the “<b>Administrator</b>”), administrator of the Transeastern Power Trust (the “<b>Trust</b>”), facilitates its exercise of independent supervision over management, including:</p> <p>(i) the identity of directors that are independent, and</p> <p>(ii) the identity of directors who are not independent, and the basis for that determination.</p>	<p>The Board currently consists of a total of five directors of which Messrs. John M. H. Huxley, Petru Lificiu and Joel Strickland are considered “independent”, as such term is defined in NI 58-101.</p> <p>Messrs. Ravi Sood and J. Colter Eadie are not considered independent as they are executive officers of the Trust.</p>
<p>2. Directorships—If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Please refer to the accompanying management information circular dated May 25, 2015 (the “<b>Circular</b>”) under the heading “Particulars of Matters to be Acted Upon - Election of Directors”.</p>
<b>Orientation and Continuing Education</b>	
<p>3. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.</p>	<p>The orientation and continuing education of the Administrator Directors is the responsibility of the Governance &amp; Nomination Committee. The details of the orientation of new Administrator Directors will be tailored to their needs and areas of expertise and will include the delivery of written materials and participation in meetings with management and Administrator Directors. The focus of the orientation program will be on providing new Administrator Directors with: (a) information about the duties and obligations of directors; (b) information about the Trust’s and Transeastern Group’s strategy, business and operations, including the Trust’s indirect investment in the Projects; (c) the expectations of Administrator Directors; (d) opportunities to meet with management and any other senior employees or consultants designated for this purpose; and (e) access to documents from recent meetings of the Board.</p> <p>The Administrator Directors have all been chosen for their specific knowledge, qualifications and expertise. All Administrator Directors will be provided with materials relating to their duties, roles and responsibilities. In addition, Administrator Directors will be kept informed as to matters impacting, or which may impact, the operations of the Trust’s subsidiaries through reports and presentations by internal and external presenters at meetings of the Board, and during periodic strategy sessions held by the Board. All Board members are fluent in English.</p>

<b>Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)</b>	<b>Comments</b>
<b>Ethical Business Conduct</b>	
4. Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Board is responsible for promoting an ethical business culture and fostering an environment that places an emphasis on compliance. The Board has adopted a written Code of Business Conduct which guides overall behaviour of the Board. The Board monitors compliance, including through receipt by the Audit and Risk Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Trust proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.
<b>Nomination of Directors</b>	
5. Disclose what steps, if any, are taken to identify new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.	The Governance & Nomination Committee is responsible for the identification and assessment of potential directors. Pursuant to its Charter, new candidates for nomination to the Board will be identified and selected having regard to the strengths and constitution, as well as the needs, of the Board. The Governance & Nomination Committee will be responsible for determining the size of the Board and its composition, identifying the skills, experience and capability required by the Board to discharge its oversight responsibilities, organizing the process for recruiting new members of the Board and providing orientation to such members and structuring the membership of committees of the Board.
<b>Compensation</b>	
6. Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process of determining compensation.	The process undertaken by the Board and the Compensation Committee in respect of compensation is more fully described in the “Compensation Discussion and Analysis” section of the accompanying Circular.
<b>Other Board Committees</b>	
7. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Disclosure Committee of the Board is responsible for overseeing the Trust’s disclosure practices. The Committee will apply its best judgment in determining the appropriate disclosure for the Trust of any particular information.
<b>Assessments</b>	
8. Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	The Board is currently responsible for assessing the effectiveness of the Board, the individual directors and the committees.

**SCHEDULE “B”**  
**AUDIT AND RISK COMMITTEE CHARTER**

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including the Trust. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Trust wherein management solicits proxies from the security holders of the Trust for the purpose of electing directors to the board of directors. The Trust, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Trust. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

1. GENERAL

Transeastern Power Administrator Inc. (the “**Administrator**”) is the administrator of Transeastern Power Trust (the “**Trust**”) and as such, the board of directors of the Administrator (the “**Board**”) is responsible for the stewardship of the affairs of the Trust and the Trust’s direct and indirect subsidiary entities (collectively, with the Administrator and the Trust, the “**Transeastern Group**”), for the benefit of the unitholders of the Trust (the “**Unitholders**”). The Board has established an Audit Committee (the “**Committee**”), composed entirely of independent directors, the primary role of which is to assist the Board in fulfilling its oversight responsibilities for the Transeastern Group’s internal controls, financial reporting and risk management processes. The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board, including administrative support. If determined necessary by the Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

2. COMPOSITION OF THE COMMITTEE

- (a) The Committee shall consist of at least three directors of the Administrator. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Governance, Nomination & Compensation Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the chair of the Committee (the “**Chair**”).
- (b) Each director appointed to the Committee by the Board shall be “independent” as contemplated in NI 58-101. An independent director is a director of the Administrator who is independent of management of the Transeastern Group and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director’s ability to act with a view to the best interests of the Trust, other than interests and relationships arising from the Securityholdings. In determining whether a director of the Administrator is independent of management of the Transeastern Group, the Board shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.

- (c) Each member of the Committee shall be “financially literate”. In order to be financially literate, a director of the Administrator must be, at a minimum, able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.
- (d) A director of the Administrator appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

3. MEETINGS OF THE COMMITTEE

- (a) The Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair and whenever a meeting is requested by the Board, a member of the Committee, the auditors, or a senior officer of the Administrator. Meetings of the Committee shall also correspond with the review of the quarterly financial statements and management’s discussion and analysis.
- (b) Notice of each meeting of the Committee shall be given to each member of the Committee and to the auditors, who shall be entitled to attend each meeting of the Committee and shall attend whenever requested to do so by a member of the Committee.
- (c) Notice of a meeting of the Committee shall:
  - (i) be in writing;
  - (ii) state the nature of the business to be transacted at the meeting in reasonable detail;
  - (iii) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
  - (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- (d) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of certain important matters by all members of the Committee.
- (e) A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
- (f) In the absence of the Chair, the members of the Committee shall choose one of the members present to be chair of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- (g) The chairman of the Board, senior management of the Transeastern Group and other parties may attend meetings of the Committee; however, the Committee (i) shall meet

with the external auditors independent of management, as necessary, in the sole discretion of the Committee, but in any event, not less than quarterly; and (ii) may meet separately with management.

- (h) Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting.

#### 4. COMMITTEE RESPONSIBILITIES

The Committee's primary responsibilities are to:

- (a) identify and monitor the management of the principal risks that could impact the financial reporting of the Transeastern Group;
- (b) monitor the integrity of the Transeastern Group's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- (c) monitor the independence and performance of the Transeastern Group's external auditors;
- (d) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
- (e) directly oversee the external audit process and results;
- (f) provide an avenue of communication among the external auditors, management and the Board; and
- (g) ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual.

#### 5. DUTIES

- (a) The Committee shall:
  - (i) review the audit plan with the Transeastern Group's external auditors and with management;
  - (ii) discuss with management of the Transeastern Group and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
  - (iii) review with management of the Transeastern Group and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
  - (iv) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management of the Transeastern Group or significant accounting issues on which there was a disagreement with management;

- (v) review with senior management of the Transeastern Group the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
- (vi) review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of the Transeastern Group of all significant variances between comparative reporting periods;
- (vii) consider and review with management of the Transeastern Group, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Transeastern Group and subsequent follow-up to any identified weaknesses;
- (viii) review with financial management and the external auditors the quarterly unaudited financial statements and management's discussion and analysis before release to the public;
- (ix) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management's discussion and analysis and press releases containing financial information;
- (x) oversee any of the financial affairs of the Transeastern Group, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management;
- (xi) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditors or the discharge of the external auditors when circumstances are warranted;
- (xii) consider the recommendations of management in respect of the appointment of the external auditors;
- (xiii) pre-approve all non-audit services to be provided to the Transeastern Group by its external auditors, or the external auditors of the Transeastern Group;
- (xiv) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
- (xv) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to NI 51-102 of the Canadian Securities Administrators and the planned steps for an orderly transition period;
- (xvi) establish and maintain procedures for:

- (A) the receipt, retention and treatment of complaints received by the Transeastern Group regarding accounting controls, or auditing matters; and
  - (B) the confidential, anonymous submission by employees of the Transeastern Group of concerns regarding questionable accounting or auditing matters;
- (xvii) review and approve the Transeastern Group hiring policies regarding employees and former employees of the present and former external auditors or auditing matters;
  - (xviii) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors;
  - (xix) review with management at least annually, the financing strategy and plans of the Transeastern Group; and
  - (xx) review all securities offering documents (including documents incorporated therein by reference) of the Trust.
- (b) The Committee has the authority to:
    - (i) inspect any and all of the books and records of the Transeastern Group (to the extent necessary);
    - (ii) discuss with the management and senior staff of the Transeastern Group, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;
    - (iii) engage independent counsel and other advisors as it determines necessary to carry out its duties;
    - (iv) to set and pay the compensation for any advisors employed by the Committee; and
    - (v) at any meeting, request the presence of the auditor, a member of senior management or any other person who could contribute to the subject of the meeting.
  - (c) The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

## 6. CHAIR OF THE COMMITTEE

The Board will appoint one member who is qualified for such purpose to be Chair, to serve until the next annual election of directors of the Administrator or otherwise until his or her successor is duly appointed. If, following the election of directors of the Administrator, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

7. REMOVAL AND VACANCIES

Any member of the Committee may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as he or she resigns or ceases to meet the qualifications set out above. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board on the recommendation of the Committee. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

8. ASSESSMENT

At least annually, the Committee will assess its effectiveness in fulfilling its responsibilities and duties as set out in this Mandate and in a manner consistent with the Board mandate to be adopted by the Board.

9. REVIEW AND DISCLOSURE

The Committee will review this Mandate at least annually and submit it to the Board for approval with such further proposed amendments as it deems necessary and appropriate.

10. ACCESS TO OUTSIDE ADVISORS

The Committee may retain any outside advisor, including an executive search firm, at the expense of the Administrator at any time and has the authority to determine any such advisor's fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information relating to the Transeastern Group which it deems relevant to the performance of its duties.