

**C.A. BANCORP INC.**  
The Exchange Tower, 130 King Street West, Suite 2810  
Toronto, Ontario M5X 1A4

**NOTICE OF THE ANNUAL AND SPECIAL MEETING  
OF HOLDERS OF THE COMMON SHARES TO BE HELD  
APRIL 25, 2008**

Notice is hereby given that an annual and special meeting (the “**Meeting**”) of the holders of common shares of C.A. Bancorp Inc. (the “**Company**”) will be held at the Toronto Board of Trade, Ridout Room, 1 First Canadian Place, Toronto, Ontario, M5X 1C1 on April 25, 2008 at 10:00 a.m. (Toronto time), for the following purposes:

1. To receive the consolidated financial statements of the Company for the financial year ended December 31, 2007 and the report of the auditors thereon;
2. To fix the number of directors of the Company at six (6);
3. To elect directors;
4. To appoint auditors and to authorize the directors to fix their remuneration;
5. To consider and, if thought appropriate, pass a special resolution, with or without variation, approving the amendment of the articles of the Company to add a mandatory market purchase plan requiring the Company to repurchase the common shares of the Company from the market on the terms as described in further detail in the accompanying Information Circular; and
6. To transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Management Information Circular.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is at the close of business on March 24, 2008 (the “**Record Date**”). Shareholders of the Company whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, except to the extent that such shareholder has transferred his, her or its common shares. If the transferee of those common shares establishes that the transferee owns the common shares and requests, not later than ten (10) days before the Meeting, to be included in the list of shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those common shares at the Meeting.

Registered shareholders have the right to dissent with respect to the Mandatory Market Purchase Plan Resolution (as defined in the accompanying Management Information Circular) and, if the Company’s Articles of Amendment are filed under the *Business Corporations Act* (Alberta) giving effect to the amendments contemplated by the Mandatory Market Purchase Plan Resolution, a dissenting shareholder shall cease to have any rights as a shareholder other than the right to be paid the fair value of his, her or its common shares of the Company. A shareholder’s right to dissent is more particularly described in the accompanying Management Information Circular. Failure to strictly comply with the requirements set forth in Section 191 of the *Business Corporations Act* (Alberta) may result in the loss of any right of dissent.

**A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting, or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed form of proxy must be mailed so as to reach or be deposited with the Secretary of the Company, c/o Computershare Trust Company of Canada, Proxy Department, at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, or by facsimile to (416) 263-9524 or 1-866-249-7775, not later than forty-eight (48) hours (excluding Saturdays and holidays) prior to the time set for the Meeting or any adjournment thereof. The time limit for deposit of proxies may be waived by the Chairman of the Meeting at his discretion without notice.**

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized.

**The persons named in the enclosed form of proxy are directors or officers of the Company. Each shareholder of the Company has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder's behalf at the Meeting. Such right may be exercised either by writing the name of the person to be appointed in the blank space provided in the reverse side on the form of proxy, in which case only the person named may vote the common shares represented by the form of proxy at the Meeting, or by submitting another appropriate form of proxy and, in either case, by delivering the completed form of proxy at the time and place indicated above.**

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a shareholder should be delivered by facsimile to Computershare Trust Company of Canada at (416) 263-9524 or 1-866-249-7775.

DATED at Toronto, Ontario this 24th day of March, 2008.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF C.A. BANCORP INC.**

*"Mark Gardhouse"*  
(signed) Mark Gardhouse  
President

## C.A. BANCORP INC.

### MANAGEMENT INFORMATION CIRCULAR

#### PART ONE – VOTING INFORMATION

##### SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This document contains or refers to certain forward-looking information relating, but not limited, to C.A. Bancorp Inc.'s (the "**Company**") expectations, intentions, plans and beliefs with respect to among other things, the Mandatory Market Purchase Plan (as described below). Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information is not historical fact but reflects the Company's current expectations regarding future results or events. Forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

##### GENERAL PROXY INFORMATION

This management proxy and information circular (the "**Information Circular**") is provided in connection with the solicitation of proxies by the management of the Company, from the holders of common shares (the "**Common Shares**") in the capital of the Company (each a "**Shareholder**") for use at the annual and special meeting of shareholders of the Company (the "**Meeting**") to be held at the Toronto Board of Trade, Ridout Room, 1 First Canadian Place, Toronto, Ontario, M5X 1C1 on April 25, 2008 at 10:00 a.m. (Toronto time).

Unless otherwise stated, the information contained in this Information Circular is given as at March 24, 2008. All references to dollar amounts contained herein are expressed in Canadian dollars.

##### Appointment of Proxies

Those Shareholders who desire to be represented at the Meeting by proxy must deposit their form of proxy ("**Form of Proxy**") (in the form accompanying this Information Circular) with the Secretary of the Company c/o Computershare Trust Company of Canada, Proxy Department, at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, or by facsimile to (416) 263-9524 or 1-866-249-7775, not later than forty-eight (48) hours (excluding Saturdays and holidays) before the day of the Meeting, or any adjournment(s) thereof. A proxy must be executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a company, under its seal by an officer or attorney thereof duly authorized.

**The persons named in the accompanying Form of Proxy are directors and officers of the Company. A Shareholder has the right to appoint a proxyholder to attend and act on such Shareholder's behalf at the Meeting other than the persons named in the Form of Proxy. Such right may be exercised either by writing the name of the person to be appointed in the blank space provided in the reverse side on the Form of Proxy, in which case only the person named may vote the Common Shares represented by the Form of Proxy at the Meeting, or by submitting another appropriate Form of Proxy and, in either case, by delivering the completed Form of Proxy at the time and place indicated above.**

## Persons Making the Solicitation

As well as the solicitation of proxies by the mailing of this Information Circular, directors, officers or employees of the Company may also solicit proxies by telephone, e-mail, internet, facsimile or other personal contact. The costs incurred by the Company in soliciting proxies, which are expected to be nominal, will be paid by the Company.

## Inquiries regarding the Information Circular

If you have questions about the information contained in the Information Circular or require assistance in completing the Form of Proxy or other form of proxy, please call the Company's Investor Relations Department at 1-866-388-5985, or (416) 214-5985.

## Exercise of Discretion by Proxy

The Common Shares represented by the Form of Proxy enclosed with this Information Circular will be voted for, withheld from voting or voted against in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly, but if no specification is made, such securities **will be voted in favour of the matters set forth in the Form of Proxy**. If any amendments or variations are proposed at the Meeting or any adjournment(s) thereof to matters set forth in the Form of Proxy and described in the accompanying Notice of Meeting and this Information Circular, or if any other matters properly come before the Meeting or any adjournment(s) thereof, the proxy confers upon the Shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments or variations or other matters to come before the Meeting.

## Revocation of Proxies

A Shareholder who has given a proxy has the power to revoke it. If a person who has given a proxy attends personally at the Meeting at which the proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or its attorney authorized in writing, or, if the Shareholder is a company, under its corporate seal and signed by a duly authorized officer or attorney for the company, and deposited at the registered office of the Company at any time up to and including the last day (other than Saturdays, Sundays and holidays) preceding the day of the Meeting at which the proxy is to be used, or any adjournment(s) thereof, or with the Chairman of the Meeting on the day of the Meeting, or on the day of any adjournment(s) thereof, prior to the commencement of the Meeting.

## Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many Shareholders of the Company, as a substantial number of the Shareholders of the Company do not hold Common Shares in their own name. **In many cases, Common Shares beneficially owned by a person (a "Beneficial Shareholder") are registered either: (i) in the name of a nominee such as an intermediary (an "Intermediary") with whom the Beneficial Shareholder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("CDS & Co.)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company will have distributed copies of the notice of Meeting, this Information Circular and the Form of Proxy to the clearing agencies and Intermediaries for onward distribution to**

**Beneficial Shareholders.** Beneficial Shareholders should note that only Forms of Proxy deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by an Intermediary, such Common Shares will more likely be registered under the name of the Shareholder's Intermediary. Common Shares held by Intermediaries can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients. The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions ("**Broadridge**"). Broadridge typically mails voting instruction forms ("**VIFs**") to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a VIF from Broadridge cannot use it to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or VIFs as directed by Broadridge well in advance of the Meeting.**

#### **Voting Securities and Principal Holders of Voting Securities**

As at the Record Date, the Company had issued and outstanding an aggregate of 28,400,571 Common Shares, each Common Share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if at least two persons holding or representing at least 5% of the Common Shares are present.

The board of directors of the Company (the "**Board**") has fixed the record date for the Meeting at the close of business on March 24, 2008 (the "**Record Date**"). The Company will prepare, as of the Record Date, a list of the Shareholders entitled to receive the Notice of Meeting and showing the number of Common Shares held by each such Shareholder. A Shareholder named in the list is entitled to vote the Common Shares shown opposite such Shareholder's name at the Meeting, except to the extent that such Shareholder has transferred his, her or its Common Shares. If the transferee of those shares establishes that the transferee owns the Common Shares and requests, not later than ten (10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to the Common Shares.

### **PART TWO – BUSINESS OF THE MEETING**

#### **ANNUAL FINANCIAL STATEMENTS**

The consolidated financial statements of the Company for the financial year ended December 31, 2007 and the auditors' report thereon will be placed before the Shareholders of the Company at the Meeting. The

presentation of such financial statements to the Shareholders at the Meeting will not constitute a request for approval or disapproval.

### **FIXING THE NUMBER OF DIRECTORS**

The articles of the Company provide that the Company shall have a minimum of one director and a maximum of 11 directors to be elected annually. At the Meeting, holders of Common Shares will be asked to fix the number of directors for the present time at six (6), as may be adjusted between Shareholders' meetings by way of resolution of the Board in accordance with the articles of the Company. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying Form of Proxy **FOR** fixing the number of directors to be elected at the Meeting at six (6).

### **ELECTION OF DIRECTORS**

Six (6) directors will be elected at the Meeting. Each director will hold office until the next annual meeting of Shareholders or until a successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Company's by-laws.

The following table and the notes thereto disclose (i) the name, province or state, and country of residence, of each person proposed to be nominated by management for election as a director; (ii) all other positions and offices with the Company held by him; (iii) his principal occupation; (iv) his period of service as a director of the Company; (v) the approximate number of Common Shares beneficially owned by him or over which he exercises, directly or indirectly, control or direction as at March 24, 2008; and (vi) the members of each committee of the Board. Proxies in favour of management nominees will be voted **FOR** the election of the proposed nominees in the absence of directions to the contrary from the Shareholders appointing them. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the person named in the enclosed Form of Proxy reserves the right to vote for another nominee in his discretion. All of the nominees currently serve as directors of the Company and their terms of office are to expire upon the termination of the Meeting. The information below as to the number of Common Shares owned by nominees for election as directors is not within the knowledge of management and has been furnished by the nominees.

<b>Name and Residence</b>	<b>Office Held</b>	<b>Principal Occupation<sup>(1)</sup></b>	<b>Date First Elected/Appointed</b>	<b>No. of Voting Securities Beneficially Owned as at March 24, 2008</b>
John F. Driscoll Ontario, Canada	Chief Executive Officer and Director	President of J.F. Driscoll Investment Corp. (a private holding company) since 1981; President, Chief Executive Officer and Director, Sentry Select Capital Corp. (a fund management Company) since 1997.	March 29, 2005	2,554,096

<b>Name and Residence</b>	<b>Office Held</b>	<b>Principal Occupation<sup>(1)</sup></b>	<b>Date First Elected/Appointed</b>	<b>No. of Voting Securities Beneficially Owned as at March 24, 2008</b>
Philip Johnson <sup>(2)(4)</sup> Ontario, Canada	Director	President of Pinnacle Reefs Ltd. (a management consulting services company for the energy industry) since 1988; Vice Chairman of the North South Institute (an institute that develops policy on international economic development and conflict resolution) since 2004.	August 24, 2006	65,000
Richard Zarzeczny <sup>(3)(4)</sup> Ontario, Canada	Director	President of Canadian Enerdata Limited (an energy and economic consulting firm) since 1984.	March 29, 2005	5,000
Mark Gardhouse Ontario, Canada	President and Director	President of the Company since January 2006; President of C.A. Bancorp Ltd. (a subsidiary of the Company) since fall 2005; and Managing Director of Roynat Capital Inc. (a merchant banking corporation) from 1998 to 2005.	January 26, 2006	49,100
Frank Potter <sup>(2)(5)</sup> Ontario, Canada	Director	Chairman of Emerging Markets Advisors Inc. (a Toronto-based consultancy that assists corporations in making and managing direct investments internationally).	June 26, 2006	10,000
Frank J. Crothers Bahamas	Director	Chairman and Chief Executive Officer of Island Corporate Holdings Limited (a private investment company).	December 1, 2006	1,166,667

Notes:

- (1) All of the directors currently have employment outside of the Company. Messrs. Driscoll and Gardhouse are officers of the Company; however, they are employed by Sentry Select Capital Corp. ("Sentry Select") and provide services to the Company pursuant to a management agreement between Sentry Select and the Company (See "Part Four- Compensation of Executive Officers – The Management Agreement and the Administration Agreement"). Each of the directors of the Company has agreed to devote as much of his time to the business and affairs of the Company as is deemed necessary. The directors and officers are engaged and will continue to be engaged in the search for property or business prospects on behalf of themselves and others.
- (2) Member of the Audit Committee.

- (3) Chair of the Audit Committee
- (4) Member of the Corporate Governance and Nominating Committee.
- (5) Chair of the Corporate Governance and Nominating Committee.

### **Corporate Cease Trade Orders or Bankruptcies**

No proposed director is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any company that, while that person was acting in that capacity,

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

### **Personal Bankruptcies**

No proposed director has, within the 10 years before the date hereof, 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 proposed director.

### **Penalties and Sanctions**

Furthermore, no proposed director 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 nor has any proposed director 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.

### **APPOINTMENT AND REMUNERATION OF AUDITORS**

Proxies received in favour of management will be voted **FOR** the appointment of Deloitte & Touche LLP, Chartered Accountants, Toronto, as auditors of the Company to hold office until the next annual meeting of Shareholders and the authorization of the directors to fix their remuneration unless the Shareholder has specified in the Form of Proxy that his, her or its Common Shares are to be withheld from voting in respect thereof. Deloitte & Touche LLP has been the auditors of the Company since its inception.

## **PART THREE – SPECIAL BUSINESS OF THE MEETING**

### **ADDITION OF MANDATORY MARKET PURCHASE PLAN**

Currently, the Articles of Incorporation, as amended, (the “**Articles**”) do not require the Company to make purchases of Common Shares in the market. The Company believes that the addition of a Mandatory Market Purchase Plan should enhance the liquidity of the Common Shares and should help reduce the spread between the Company’s most recently reported quarterly net book value per Common Share and the market price of the

Common Shares, as traded on the Toronto Stock Exchange (“TSX”). The Mandatory Market Purchase Plan will require the Company to use its best efforts to purchase for cancellation its Common Shares if they are offered at a price less than 90% of the net book value per Common Share on the principal stock exchange on which they are traded, currently the TSX. The obligation would be subject to a limit in any calendar quarter of 1.25% of the number of outstanding Common Shares at the beginning of such quarter. The obligation is also subject to certain conditions to ensure that the marketability of the Common Shares is not seriously impaired, the Company has adequate liquidity, the Company does not have to liquidate securities other than in an orderly manner, there is no material legal action instituted or threatened that materially adversely affects the Company and that there is no general suspension of trading of the Company’s Common Shares on the relevant exchange. The Mandatory Market Purchase Plan will expire at the next annual meeting of the Company unless re-approved by the Shareholders by way of special resolution.

### **Special Resolution**

At the Meeting, or any adjournment thereof, Shareholders of the Company will be asked to consider, and if deemed appropriate, pass with or without variation, a special resolution approving an amendment to the Company’s Articles to add a Mandatory Market Purchase Plan (the “**Mandatory Market Purchase Plan Resolution**”), as follows:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Articles of Incorporation, as amended, of C.A. Bancorp Inc. be further amended to add the following section:

“Mandatory Market Purchase Plan

(a) If at any time the price at which Common Shares are offered for sale on the principal stock exchange or market on which the Common Shares are then listed or traded is at or less than 90% of the net book value per Common Share as reported in the most recently published interim or annual financial statement of the Company, then, subject to subsection (b) and compliance with any applicable regulatory requirements, the Company will use its best efforts to purchase for cancellation any such Common Share offered in the market at the then prevailing market price subject to a maximum in any calendar quarter of 1.25% of the total number of Common Shares in any calendar quarter, where the outstanding number of Common Shares that were outstanding at the beginning of such calendar quarter.

(b) Purchases will not be required to be effected pursuant to subsection (a) if (i) in the opinion of the Company such transactions, if consummated, could result in the marketability of the Common Shares being severely impaired to the detriment of the shareholders; (ii) where the Company’s cash or cash equivalents and liquid public securities less working capital requirements is less than \$5 million; (iii) in order to finance the purchase, the Company is not able to liquidate securities in an orderly manner consistent with the Company’s stated investment objectives or, alternatively, in the opinion of the Company, it is not in the best interest of the shareholders to do so; or (iv) there is, in the judgment of the Company: (A) any material legal action or proceeding instituted or threatened challenging such transactions or otherwise materially adversely affecting the Company, or (B) there is a suspension of trading securities generally on any exchange on which securities held by the Company are traded.

(c) The provisions included in subsections (a) and (b) above, including any amendments thereto, will not apply if they have not been approved by the shareholders of the Company by a special resolution at the previous annual meeting of the shareholders of the Company.”

2. notwithstanding that this special resolution has been duly passed by the shareholders of C.A. Bancorp Inc., the board of directors may, in their sole discretion and without further approval of the shareholders of C.A. Bancorp Inc., revoke this special resolution at any time prior to effecting such amendment and elect not to act on or carry out this special resolution;
3. the effective date of the mandatory market purchase plan shall be the date shown on the certificate of amendment; and
4. any director or officer of C.A. Bancorp Inc. be and is hereby authorized for and on behalf of C.A. Bancorp Inc. (whether under the corporate seal of C.A. Bancorp Inc. or otherwise) to execute and deliver the Articles of Amendment implementing the foregoing resolutions to the Registrar pursuant to the *Business Corporations Act* (Alberta) and all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the implementation of the foregoing resolutions and matters authorized hereby, the execution of any such document or the doing of any such other act or thing by any director or officer of C.A. Bancorp Inc. being conclusive evidence of such determination."

To be effective, this Mandatory Market Purchase Plan Resolution must be passed by not less than two-thirds of the votes cast in respect of this special resolution.

Upon receipt of the required Shareholder approval, the Mandatory Market Purchase Plan Resolution will become effective following the filing by the Company of the amendment to the Articles and upon the date that a certificate of amendment is issued in accordance with the *Business Corporations Act* (Alberta) (the "ABCA").

The Board recommends that holders of Common Shares vote **FOR** the Mandatory Market Purchase Plan Resolution. The persons representing management of the Company named in the enclosed Form of Proxy intend to vote **FOR** the Mandatory Market Purchase Plan Resolution, unless the Shareholder specifies otherwise in the Form of Proxy.

### **Shareholder's Right to Dissent**

A registered holder of Common Shares has a right to dissent under section 191 of the ABCA if he, she or it is opposed to the Mandatory Market Purchase Plan Resolution. A dissenting Shareholder who complies with section 191 of the ABCA is entitled to be paid the fair value of the Common Shares in respect of which he, she or it dissents, determined as of the close of business on the last business day before the day on which the Mandatory Market Purchase Plan Resolution is adopted. Upon the filing of Articles under the ABCA to give effect to the amendments contemplated by the Mandatory Market Purchase Plan Resolution, a dissenting Shareholder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of his, her or its Common Shares. If the Mandatory Market Purchase Plan Resolution is not adopted, or if the Mandatory Market Purchase Plan Resolution is revoked by the Board before it is acted on, a dissenting Shareholder is not entitled to any payment. A Shareholder may dissent only with respect to all of the Common Shares held by such Shareholder. A Shareholder is not entitled to dissent with respect to the Common Shares held by such Shareholder if he, she or its votes any of such Common Shares in favour of the Mandatory Market Purchase Plan Resolution. The right of dissent under section 191 of the ABCA is exercisable by registered holders of Common Shares only.

In order to dissent, a Shareholder is required to send to the Company at its registered office, 3700, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2, Attention: Marvin J. Singer, a written objection to the Mandatory Market Purchase Plan Resolution, which must be received at or before the Meeting. A vote against the Mandatory Market Purchase Plan Resolution, or an abstention from voting on the Mandatory Market Purchase Plan Resolution, does not constitute such a written objection.

Shareholders considering exercising such right of dissent should specifically refer to Section 191 of the ABCA, a copy of which is set forth in Appendix "A" hereto, as failure to comply strictly with the provisions set

forth therein may prejudice the Shareholder's right of dissent. The Company suggests that any Shareholder who might desire to exercise such right of dissent obtain his, her or its own legal and tax advice as to the manner of exercising such right and the implications for the Shareholder.

### **Revocation of the Mandatory Market Purchase Plan Resolution**

Notwithstanding that the Mandatory Market Purchase Plan Resolution is passed by the Shareholders of the Company, the Board may, in its sole discretion and without further notice to, or approval of, the Shareholders, revoke the Mandatory Market Purchase Plan Resolution before it is acted on. In exercising its discretion in determining whether to revoke the Mandatory Market Purchase Plan Resolution, the Board will take a number of factors into consideration, however, it is the current intention of the directors to revoke the Mandatory Market Purchase Plan Resolution if it is approved but holders of 5% or more of the outstanding Common Shares exercise the right of dissent pursuant to Section 191 of the ABCA.

## **PART FOUR - COMPENSATION OF EXECUTIVE OFFICERS**

### **SUMMARY COMPENSATION OF NAMED EXECUTIVE OFFICERS**

#### **Compensation Summary**

The table below sets forth the annual and long term compensation for services in all capacities to the Company of the Company's chief executive officer, chief financial officer and its other most highly compensated executive officers, each of whose total salary and bonus exceeded \$150,000 (collectively, the "**Named Executive Officers**"), for the three (3) most recently completed financial years.

### Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Stock Option/SARs Granted (#)	Restricted Shares or Share Units (\$)	LTIP Payouts (\$)	
John F. Driscoll, <small>(1)(2)</small> Chief Executive Officer	2007	---	---	---	175,000	---	---	---
	2006	---	---	---	155,000	---	---	---
	2005	---	---	---	17,500	---	---	---
Mark Gardhouse, <small>(1)(2)</small> President	2007	\$225,000	\$260,753	---	150,000	---	---	---
	2006	\$200,000	\$140,000	---	120,000	---	---	---
Mark MacDonald, <small>(1)(2)(3)</small> Managing Director, Private Investments	2007	\$200,000	\$238,253	---	140,000	---	---	---
	2006	\$130,260	\$105,000	---	100,000	---	---	---
Paolo De Luca, <small>(1)(2)(3)</small> Chief Financial Officer	2007	\$166,000	\$101,160	---	70,000	---	---	---
	2006	\$75,835	\$42,000	---	40,000	---	---	---
John Vooglaid, <small>(1)(3)(4)</small> Former Chief Financial Officer	2007	---	---	---	35,000	---	---	---
	2006	---	---	---	35,000	---	---	---
	2005	---	---	---	---	---	---	---
Michael Lovett, <small>(1)(2)(3)</small> Managing Director, Private Investments	2007	\$109,375	\$78,125	---	80,000	---	---	---
Jake Trainor, <small>(1)(2)(3)</small> Vice-President, Corporate Development	2007	\$106,250	\$100,076	---	50,000	---	---	---
Kurt Brands, <small>(1)(2)(3)</small> Vice-President, Corporate Development	2007	\$124,423	\$100,076	---	50,000	---	---	---

Notes:

- (1) For details of the administration agreement between C.A. Bancorp Inc. and Sentry Select pursuant to which, among other things, the services of certain officers were provided, see "Part Four- Compensation of Executive Officers – The Management Agreement and the Administration Agreement".
- (2) The compensation disclosed herein was paid by Sentry Select to the identified individual, and represents that amount of the individual's total compensation which was attributable to services rendered to the Company, on the basis of the proportion of the individual's time which was dedicated to the business and affairs of the Company in the individual's capacity as an officer during the fiscal years ended December 31, 2006 and December 31, 2007. None of the compensation paid to John F. Driscoll or John Vooglaid by Sentry Select was attributable to services provided by Messrs. Driscoll and Vooglaid to the Company as the amount of time devoted to the Company's

affairs by such individuals, as compared to the amount of time such individuals devoted to the business of Sentry Select, was not material

- (3) Kurt Brands commenced employment with the Company on March 6, 2007 and the compensation disclosed represents Mr. Brand's compensation for the last ten months of 2007. Jake Trainor commenced employment with the Company on April 16, 2007 and the compensation disclosed represents Mr. Trainor's compensation for the last nine months of 2007. Michael Lovett commenced employment with the Company on May 16, 2007 and the compensation disclosed represents Mr. Lovett's compensation for the last eight months of 2007. Paolo De Luca commenced employment with the Company on July 11, 2006 and was appointed Chief Financial Officer on August 28, 2006, and the compensation disclosed for 2006 represents Mr. De Luca's compensation for the last six months of 2006. Mark MacDonald was appointed Managing Director, Private Investments on April 18, 2006 and the compensation disclosed represents Mr. Donald's compensation for the last nine months of 2006.
- (4) Paolo De Luca commenced employment with the Company on July 11, 2006 and was appointed Chief Financial Officer on August 28, 2006, and the compensation disclosed represents Mr. De Luca's compensation for five months of 2006. John Vooglaid resigned as Chief Financial Officer with effect upon Mr. De Luca's appointment, and the compensation disclosed represents Mr. Vooglaid's compensation during the first eight months of 2006.

### Option Grants During the Most Recently Completed Financial Year

The following table presents information about stock options (“Options”) that were granted under the Company’s stock option plan (the “Option Plan”) to any of the Named Executive Officers during the fiscal year ended December 31, 2007.

Named Executive Officer (a)	Securities Under Options/SARs Granted (#) (b)	Percent of Total Options/ SARs Granted to Employees in Financial Year (c)	Exercise or Base Price (\$/Security) (d)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security) (e)	Expiration Date (f)
John F. Driscoll	175,000	16.8%	\$3.30	\$2.55	August 21, 2012
Mark Gardhouse	150,000	14.4%	\$3.30	\$2.55	August 21, 2012
Mark MacDonald	140,000	13.3%	\$3.30	\$2.55	August 21, 2012
Paolo De Luca	70,000	6.7%	\$3.30	\$2.55	August 21, 2012
John Vooglaid	35,000	N/A	\$3.30	\$2.55	August 21, 2012
Michael Lovett	80,000	7.7%	\$3.30	\$2.55	August 21, 2012
Jake Trainor	50,000	4.8%	\$3.30	\$2.55	August 21, 2012
Kurt Brands	50,000	4.8%	\$3.30	\$2.55	August 21, 2012

### Aggregated Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option Values

The following table presents information about Options that were exercised by any of the Named Executive Officers during the fiscal year ended December 31, 2007 and the year-end value of unexercised Options held by the Named Executive Officers on an aggregated basis.

Named Executive Officer (a)	Securities Acquired on Exercise (#) (b)	Aggregate Value Realized (\$) (c)	Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable (d)	Value of Unexercised in-the-Money Options/SARs at FY-End (\$) Exercisable/ Unexercisable (e)
John F. Driscoll	Nil	Nil	179,166 / 168,334	Nil
Mark Gardhouse	Nil	Nil	130,000 / 140,000	Nil
Mark MacDonald	Nil	Nil	113,334 / 126,666	Nil
Paolo De Luca	Nil	Nil	50,000 / 60,000	Nil
John Vooglaid	Nil	Nil	35,000 / 35,000	Nil
Michael Lovett	Nil	Nil	26,667 / 53,333	Nil
Jake Trainor	Nil	Nil	16,667 / 33,333	Nil
Kurt Brands	Nil	Nil	16,667 / 33,333	Nil

### Termination of Employment, Changes in Responsibility and Employment Agreements

Other than as described below, the Company does not have any employment agreements or any compensatory plan, contract or arrangement in respect of compensation received or that may be received by the Named Executive Officers nor does the Company presently anticipate entry into any such agreements with any director or officer of the Company.

### The Management Agreement and the Administration Agreement

Sentry Select entered into an amended and restated management agreement (the “**Management Agreement**”) with the Company on September 25, 2006. Pursuant to the Management Agreement, Sentry Select will be paid a quarterly fee (the “**Management Fee**”) of  $\frac{1}{4}$  of 1.50% of the consolidated shareholders' equity of the Company, as determined in accordance with Canadian generally accepted accounting principles, calculated quarterly after adjustments for issuances, redemptions and purchases of shares during such quarter and the deemed conversion of any outstanding convertible debentures. In addition to the Management Fee, Sentry Select will be entitled to be paid an annual performance bonus (the “**Performance Bonus**”) equal to 20% of the amount by which the consolidated net income of the Company before income taxes, the Management Fees and the Performance Bonus exceeds an 8% per annum return earned on the consolidated shareholders' equity of the Company calculated in respect of each calendar year, determined in a similar manner as described above. In addition, the Performance Bonus shall be calculated in respect of the period commencing on the date of commencement of each five-year term of the Management Agreement and ending on December 31 of each year during such term and, in the event that the aggregate Performance Bonuses paid to Sentry Select during such period exceeds the Performance Bonus calculated for such period, Sentry Select will repay to the Company the amount of such excess. This structure will ensure that the threshold 8% compounded annual return is exceeded during the entire five-year term before Sentry Select is entitled to be paid and retain a Performance Bonus with respect to such term. The initial term of the Management Agreement commenced on July 1, 2006 and will expire on December 31, 2011. The Management Agreement will renew automatically for successive five-year terms following the initial term, provided that there has been no breach or material default of the terms of the agreement by Sentry Select, subject to termination on any expiry date upon not less than 180 days prior written notice from the Company or Sentry Select to the other. In the event that the Company terminates the Management Agreement, Sentry Select will be entitled to receive from the Company an amount equal to five times 1.5% of the consolidated Shareholders' equity of the Company determined in the foregoing manner, calculated as at the close of business on the last business day of the term of the

Management Agreement, plus five times the Performance Bonus paid in respect of the calendar year immediately preceding the date of termination of the Management Agreement. The Management Agreement may be terminated by either party upon the occurrence of certain events.

Sentry Select and the Company entered into an amended and restated administration agreement (the “**Administration Agreement**”) on September 25, 2006. Pursuant to the Administration Agreement, the Company pays \$40,000 per month to Sentry Select and Sentry Select provides certain management and administrative services to the Company, including record-keeping, filing of tax returns, investor relations services, advice with respect to the Company's obligations as a reporting issuer (including its continuous disclosure obligations), administrative support with respect to the holding of directors' and shareholders' meetings, office space, equipment and personnel, and all accounting, clerical, secretarial, corporate and administrative services as may be reasonably necessary to perform its obligations under the Administration Agreement. Pursuant to the Administration Agreement, Sentry Select has agreed to provide to the Company the full time services of Messrs. Gardhouse, MacDonald, and De Luca and has agreed not to terminate any of such individuals as employees of Sentry Select without the prior approval of the independent directors of the Company. In the event that Sentry Select determines that it is necessary or desirable to hire any additional employees to provide full time management or administrative services to the Company, Sentry Select may elect, subject to the approval of the independent directors of the Company, to require the Company to reimburse it for all or part of such employees' respective salaries. In the event that such approval is not given with respect to any prospective employee, Sentry Select may elect not to hire such individual.

### **Compensation Of Directors**

Directors of the Company receive an annual honorarium of \$20,000. Additionally, directors are entitled to receive \$1,000 per directors meeting and \$1,500 per annual and/or special meeting of Shareholders which they attend. Directors are also eligible to receive stock option grants from time to time.

### **Report on Executive Compensation**

Under the terms of the Management Agreement and the Administration Agreement, the officers and employees of the Company are provided for and compensated by Sentry Select. In return, the Company pays to Sentry Select a monthly fee of \$40,000 under the Administration Agreement and the Management Fee, which amounted to \$912,020 for the fiscal year ended December 31, 2007, under the Management Agreement. The board of directors of Sentry Select reviews the compensation of the Company's executives as needed to ensure that the amount of compensation adequately reflects the responsibilities and performance of the Company's executive officers and makes adjustments as deemed necessary. The compensation of the executive officers of the Company is determined on the basis of several factors, including the individual's experience, education, responsibilities and contributions to the growth of the Company.

Mr. Driscoll, the Chief Executive Officer of the Company, is not directly compensated by the Company (except for the receipt of Stock Options), as per the terms of the Administration Agreement. None of the compensation paid by Sentry Select to Mr. Driscoll was attributable to the services provided by Mr. Driscoll to the Company as the amount of time devoted to the affairs of the Company by Mr. Driscoll was insignificant.

The Company's Option Plan is designed to encourage ownership in the Company's Common Shares by directors, officers, employees and consultants of the Company. Participation in the Option Plan rewards those who are primarily responsible for the management and profitable growth of the Company's business and is used to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company and its subsidiaries to attract and retain valued directors, officers, employees and consultants.

The Option Plan is a discretionary equity compensation plan which the Company has adopted, in part, for the purpose of granting incentives to the directors, officers, employees and consultants of the Company, and the Board considers the Option Plan to be an important part of executive compensation.

Criteria for granting Options under the Option Plan to executive officers of the Company include:

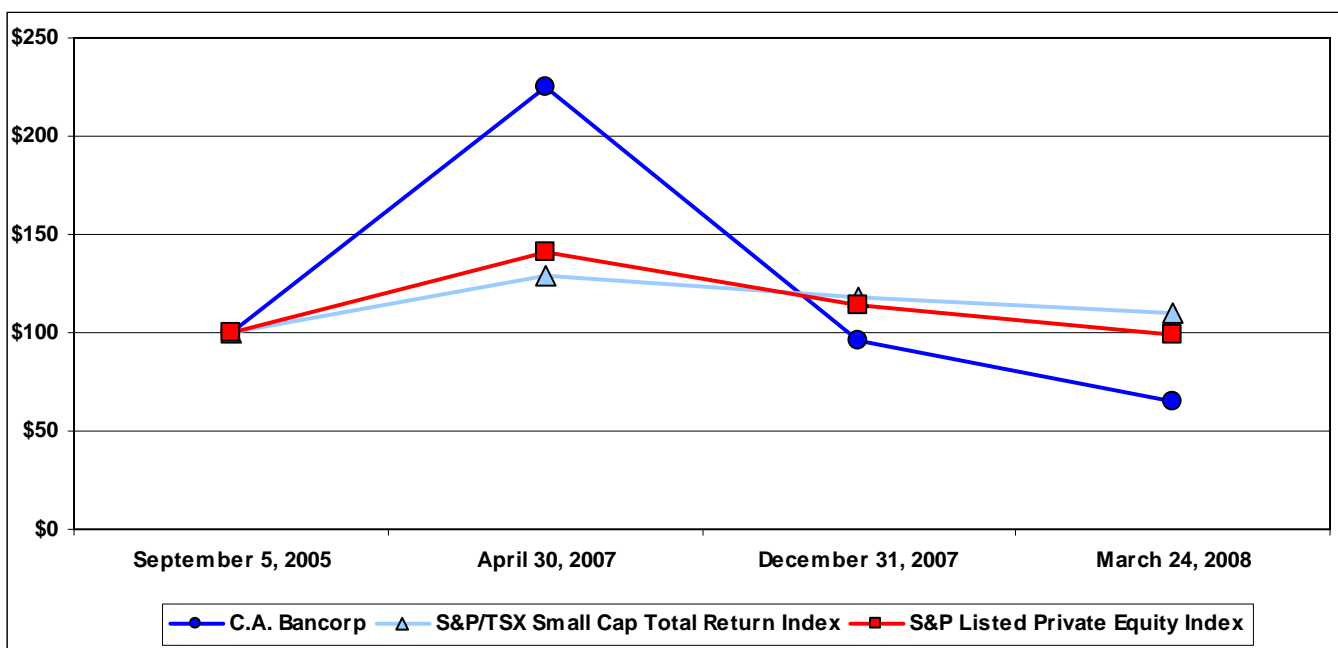
- the performance of the Company, including the number of investing transactions reviewed and funded, relative price performance of the Common Shares, and completion of key corporate milestones;
- the performance of the executive officer including acknowledgement of specific achievements made on behalf of the Company;
- the level of responsibility of the executive officer and the current market demand for the executive officer's skill set and experience; and
- the number of Options previously issued to and the number of years served by the executive officer.

### **Composition of the Compensation Committee**

The Company does not currently have a compensation or other similar board committee. The current Board, comprised of Messrs. Crothers, Driscoll, Gardhouse, Johnson, Potter and Zarzeczny, were responsible for determining compensation of the executive officers under the Option Plan during the Company's most recently completed financial year. All cash compensation amounts payable to the Company's executive officers are made by the board of directors of Sentry Select as provided for under the Administration Agreement.

### **Performance Graph**

The following graph compares the percentage change in the cumulative total shareholder return on the Common Shares with the cumulative total return of the S&P/TSX Small Cap Total Return Index and the S&P Listed Private Equity Index during the period commencing September 5, 2005 (the date upon which trading of the Common Shares commenced on the TSX-Venture Exchange), including April 30, 2007 (the date on which trading of the Common Shares commenced on the TSX) to March 24, 2008, assuming \$100 was invested based on the average of the bid and ask quotes of the Common Shares on April 30, 2007, and March 24, 2008.



	September 5, 2005	April 30, 2007	December 31, 2007	March 24, 2008
C.A. Bancorp Inc.	\$100.00	\$225.00	\$96.00	\$65.00
S&P/TSX Small Cap Total Return Index	\$100.00	\$128.69	\$117.86	\$110.12
S&P Listed Private Equity Index	\$100.00	\$140.90	\$113.51	\$99.26

The figures charted above are historical and represent past performance and should not be treated as an indication of future performance.

#### **Indebtedness of Executive Officers and Directors**

No executive officer, director, employee, or former executive officer, director or employee of the Company was indebted to the Company or other entity for which such indebtedness is, as of the date of this Information Circular or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, in respect of any purchase of securities or otherwise.

#### **Indebtedness of Executive Officers and Directors under Securities Purchase and Other Programs**

No director or executive officer of the Company, proposed nominee for election as a director of the Company, nor any associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or another entity, for which such indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, in respect of any security purchase program or any other program.

### **PART FIVE – EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information as of December 31, 2007 with respect to the Common Shares of the Company that may be issued under all equity compensation plans of the Company.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> (a)	<b>Weighted-average exercise price of outstanding options, warrants and rights</b> (b)	<b>Number of securities remaining available for future issuance under equity compensation plans</b> (excluding securities reflected in (a)) (c)
Equity compensation plans approved by securityholders <sup>(1)</sup>	2,055,000	\$3.23	813,300 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>2,055,000</b>	<b>\$3.23</b>	<b>813,300</b>

Note:

- (1) The Option Plan provides for the grant of stock options for the purchase of no more than 10% of the issued and outstanding Common Shares of the Company.

### Stock Option Plan

The material terms of the Company's Option Plan are:

- The purpose of the Option Plan is to encourage ownership of the Common Shares by directors, officers and employees of the Company, and its subsidiaries and consultants, who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company and its subsidiaries to attract and retain valued directors, officers, employees and consultants.
- The persons eligible to receive options to purchase Common Shares under the Option Plan will be the directors, officers and employees of the Company or affiliates of the Company, and any person or company engaged by the Company to provide consulting services (unrelated to the distribution of securities) (“**Eligible Individuals**”) and permitted assigns of such persons (“**Permitted Assigns**”). Permitted Assigns include trustees acting on behalf of Eligible Individuals, corporations controlled by Eligible Individuals, registered retirement savings plans or registered retirement income funds of Eligible Individuals and spouses of Eligible Individuals.
- The Board may grant Options to any Eligible Individual or Permitted Assign (an “**Eligible Person**”), as determined by the Board in its discretion. At the time of the grant of an Option the Board, in its discretion, must fix the number of Common Shares being optioned to the Eligible Person (in this capacity, an “**Optionee**”), the exercise price of the Option, the extent to which each Option is exercisable from time to time during the term of the Option and the expiration date of the Option. The Option Plan does not specify a maximum term for Options granted thereunder.
- The number of Common Shares which may be issuable pursuant to the exercise of Options outstanding at any particular time may not exceed 10% of the number of Common Shares outstanding at such time. Pursuant to the Option Plan as at the date hereof, the number of Common Shares issuable on the exercise of Options could not exceed 2,839,357 Common Shares. As at the date hereof, Options to purchase 2,055,000 Common Shares have been granted, leaving an additional 784,357 Options available for grant pursuant to the Option Plan.

- The exercise price of an Option may not be less than the market price of the Common Shares on the date on which the grant of the Option is approved by the Board. For this purpose the market price is the closing sale price of the Common Shares on the last trading day preceding the date of grant on which the Common Shares traded on the TSX or another exchange on which the Common Shares are listed.
- Once granted, the Options may only be assigned by the Optionee to Permitted Assigns.
- The number of Common Shares that may be issued to any one person, under the Option Plan and any other share compensation arrangement of the Company, may not exceed 5% of the outstanding Common Shares.
- No Options may be granted by the Board where such grant could result in the number of Common Shares issuable to insiders under all share compensation arrangements exceeding 10% of the issued and outstanding Common Shares or in the issuance to insiders, within a one-year period, of a number of Common Shares exceeding 10% of the issued and outstanding Common Shares.
- If the termination date of an Option falls during or within three business days of a black out period, during which the policy of the Company prevents certain persons from trading in the securities of the Company, the expiry date for the Option will be extended for an additional period expiring on the 10<sup>th</sup> business day following the end of the black out period.
- The Option Plan does not contemplate the provision of any financial assistance to an Eligible Person to facilitate the exercise of an Option.
- There are no entitlements under the Option Plan previously granted that are subject to the ratification of Shareholders.
- An Optionee's entitlement to exercise an Option will cease prior to the expiration date of the Option, as follows:
  - 90 days after the Eligible Individual (to whom or to whose Permitted Assign(s) Options have been granted) ceases to be an Eligible Individual.
  - 180 days after the Eligible Individual retires or terminates his employment or directorship under circumstances equating to retirement or permanent disability.
  - 180 days after the death of an Eligible Individual.

However, the Board retains the discretion to waive the above cessation of rights in respect of any particular Optionee.

- The Company has no security purchase arrangement or stock appreciation rights plan, and the Company does not have authority to transform Options into stock appreciation rights.
- By its terms, the Option Plan may be amended by the Board without the consent of the Shareholders, including amending the terms and conditions of Options, amending the categories of persons who are Eligible Persons and entitled to be granted Options, allowing the grant of financial assistance to Optionees for the purpose of exercising Options, authorizing the addition of a cashless exercise feature (payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Option Plan reserve), and amendments of a housekeeping nature.

However, pursuant to TSX rules, the extension of the term of an Option for the benefit of an insider must be approved by disinterested shareholders.

- The Board may terminate the Option Plan at any time.

## **PART SIX – STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Corporate governance relates to the activities of the Board, the members of which are elected by, and are accountable to, the Company's Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interests of its Shareholders and contribute to effective and efficient decision making. The Company believes that its corporate governance practices ensure that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. Set out below is a description of the corporate governance practices of the Company as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") concerning corporate governance disclosure.

### **Disclosure of Corporate Governance Practices**

#### *Board of Directors*

Pursuant to NI 58-101, a director is independent if the director has no direct or indirect material relationship with the Company which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the Company by virtue of their position or relationship with the Company. The Board is currently comprised of six (6) members, four (4) of whom the Board has determined are independent, those being Messrs. Crothers, Johnson, Potter and Zarieczny. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.

Messrs. Gardhouse and Driscoll are not considered independent directors as each of them is an executive officer of the Company.

The majority of the Board are independent.

Details of current directorships held by each director or nominee in other public issuers are set out in Appendix "B" attached hereto.

The Board supervises the management of the business and affairs of the Company and is mandated to act with a view to the best interests of the Company. The Board holds regular meetings to review the business and affairs of the Company and to make any decisions relating thereto. The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board reviews its procedures on an ongoing basis to ensure that it can function independently of management. The Board meets, as required, without management present. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the recommendations contained in NI 58-101, the Board intends to convene meetings of the independent directors, at which non-independent directors and members of management are not in attendance, as may be deemed necessary.

The Chairman of the Board, John F. Driscoll, is not an independent director. Currently, the Board is satisfied that it exercises its responsibilities for independent oversight of management. The ability to establish *ad hoc* committees comprised solely of independent directors provides the Board with the ability to meet independently of management whenever deemed necessary or appropriate and the chair of each such *ad hoc* committee provides the leadership for such committee.

### *Orientation and Education*

The Company does not have a formal process for the orientation and education of new directors. However, the Company has historically provided such orientation and education on an informal basis. As new directors join the Board, management will provide these individuals with corporate policies, historical information about the Company, as well as information on the Company's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures will prove to be a practical and effective approach in light of the Company's particular circumstances, including the size of the Company, limited changes to members of the Board and the experience and expertise of the members of the Board.

### *Meetings Held and Attendance of Directors*

There were thirteen (13) meetings of the Board during the financial year ended December 31, 2007. The following table summarizes the meetings of the Board held during the year and the attendance of individual directors of the Company at such meetings.

	<b>Board of Directors</b>
Total number of meetings in 2007:	13
<b>Director:</b>	
John Driscoll	13
Frank Crothers	10
Mark Gardhouse	12
Philip Johnson	12
Frank Potter	11
Richard Zarzeczny	13
Total Attendance Rate	91%

### *Board Mandate*

The Board supervises the management of the business and affairs of the Company. The frequency of the meetings of the Board, as well as the nature of agenda items, change depending upon the state of the Company's affairs and in light of opportunities which arise or risks which the Company faces. A minimum of four (4) meetings of the Board are held in each financial year. The Board has responsibility for overseeing a strategic planning process, reviewing and approving the Company's strategic plan developed and proposed by management and monitoring performance against the plan. The Board is responsible for evaluating the principal business risks of the Company and oversees the implementation of appropriate systems to manage these risks. The Board, through its Audit Committee, is also responsible for developing, adopting and reviewing the adequacy of policies and procedures to ensure the integrity of the internal controls and management information systems of the Company. Matters that require Board approval include, among other things: (i) the approval of the quarterly and annual financial statements and management's discussion and analysis; and (ii) the issuance of securities; (iii) the approval of acquisitions and divestitures.

### *Position Descriptions*

The Board appoints the Chief Executive Officer ("CEO") of the Company and approves the appointment of other members of senior management. The Board reviews the Company's succession plan and the annual performance of senior management.

The positions of the Chair and the CEO of the Company are combined. The Board is currently of the view that the respective corporate governance role of the Board and management, as represented by the Chair and the CEO, are clear and that the limits to the responsibility and authority of the Chair and CEO are reasonably well understood and therefore the Board has not developed written position descriptions for the Chair or the CEO. The Board is specifically responsible for approving the Company's strategic plan and monitoring performance against the plan. The Board's consideration and approval is also required for all material contracts and business transactions and all debt and equity financing proposals.

#### *Ethical Business Conduct*

The Board has adopted a written ethical business conduct code for directors, officers and employees of the Company (the "**Code**"). The Code is intended to document the principles of conduct and ethics to be followed by the employees, officers (including, without limitation, the President, Chief Executive Officer and the Chief Financial Officer and other high ranking financial officers) and directors of the Company. A copy of the Code may be obtained at any time upon request to the Secretary of the Company at 130 King St. West, Suite 2810, Toronto, Ontario, M5X 1A4, Tel. (416) 214-5985.

Each director, officer and employee of the Company is required to sign an acknowledgement that they have read and understand the Code and the Company expects all its employees, officers and directors, at all times, to comply and act in accordance with the principles stated in the Code. Violations of the Code by any employee, officer or director are grounds for disciplinary action up to and including immediate termination of employment and officership, and request for resignation of directorship. The Code applies equally, without limiting the generality of the foregoing, to all permanent, contract, secondment and temporary agency employees who are on long-term assignments with the Company, as well as to consultants to the Company.

On a periodic basis throughout the year, and as requested, management provides the Company's Corporate Governance and Nominating Committee (the "**Committee**") with a compliance report in respect of the Code. Management will also advise the Committee as soon as possible should there occur a breach in the Code requiring the Committee's immediate attention.

The Board has found that the fiduciary duties placed on the individual directors by both the Code and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profits realized from the contract or transaction.

#### *Nomination of Directors*

The Committee is comprised of Messrs. Potter and Zarzeczny (both of whom are independent directors). The Committee is responsible for assessing the effectiveness of the Board, the committees of the Board and the contribution of individual directors, taking into account: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom;

and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. The Committee reviews on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, and analyze the needs of the Board and recommend nominees who meet such needs. Any member of the Board is free to recommend additional members to the Committee, and the Committee will consider such recommendations when proposing Board nominees.

#### *Compensation*

The Board sets the level of compensation for directors. The Board reviews directors' compensation as needed, taking into account time commitment, comparative fees, risks and responsibilities, to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

#### *Board Committees*

The Board currently has two (2) standing committees: the Audit Committee and the Corporate Governance and Nominating Committee.

#### *Assessments*

Based upon the Company's size, its current state of development and the number of individuals on the Board, the Board considers a formal process for assessing regularly the effectiveness and contribution of the Board, as a whole, its committees or individual directors to be unnecessary at this time. In light of the fact that the Board and its committees meet on numerous occasions during each year, each director has significant opportunity to assess other directors. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis.

### **PART SEVEN - AUDIT COMMITTEE**

A description of the Company's Audit Committee is contained in the Company's annual information for the financial year-ended 2007, under the section entitled "Audit Committee". The Company's annual information form is available free of charge on SEDAR at [www.sedar.com](http://www.sedar.com) or upon written request to the Secretary of the Company at 130 King St. West, Suite 2810, Toronto, Ontario, M5X 1A4, Tel. (416) 214-5985.

### **PART EIGHT – OTHER INFORMATION**

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

Other than as described in this Information Circular, no person who has been a director (and is now a proposed nominee for election as a director) or an executive officer of the Company at any time since the beginning of its last completed financial year, nor any associate or affiliate of any such director or executive officer, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

#### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No director, executive officer or holder of more than 10% of the issued and outstanding Common Shares of the Company or any associate or affiliate of any such person had or has any material interest, direct or indirect, in any transaction since the beginning of the Company's financial year ended December 31, 2007 or in any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries other than an interest arising from the ownership of securities of the Company or its predecessors where the person received no extra or special benefit or advantage not shared on a proportionate basis by all holders of the same class of securities.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2007.

The Company will provide to any person, upon request to the Secretary of the Company at 130 King St. West, Suite 2810, Toronto, Ontario, M5X 1A4, Tel. (416) 214-5985, at any time, a copy of the most recently filed annual financial statements, together with related MD&A, and any interim financial statements of the Company that have been filed for any period after the end of the Company's most recently completed financial year, together with the related MD&A, provided that the Company will require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.

## GENERAL

The management of the Company knows of no matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying Form of Proxy will be voted on such matters in accordance with the best judgment of the persons voting the Form of Proxy.**

The Board of the Company has approved the contents of this Information Circular and its mailing to the Shareholders.

DATED the 24<sup>th</sup> day of March, 2008.

(signed) Mark Gardhouse  
Preside

## APPENDIX “A”

### SHAREHOLDER’S RIGHT TO DISSENT

**191(1)** Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent 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 or transfer of shares of that class,
- (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
- (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
- (c) amalgamate with another corporation, otherwise than under section 184 or 187,
- (d) be continued under the laws of another jurisdiction under section 189, or
- (e) sell, lease or exchange all or substantially all its property under section 190.

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

**(3)** In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**(5)** A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
- (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder’s right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder’s right to dissent.

**(6)** An application may be made to the Court by originating notice after the adoption of a resolution referred to in subsection (1) or (2),

- (a) by the corporation, or
- (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(7)** If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

**(8)** Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

- (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
- (b) within 10 days after the corporation is served with a copy of the originating notice, if a shareholder is the applicant.

**(9)** Every offer made under subsection (7) shall

- (a) be made on the same terms, and
- (b) contain or be accompanied with a statement showing how the fair value was determined.

**(10)** A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

**(11)** A dissenting shareholder

- (a) is not required to give security for costs in respect of an application under subsection (6), and
- (b) except in special circumstances must not be required to pay the costs of the application or appraisal.

**(12)** In connection with an application under subsection (6), the Court may give directions for

- (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
- (b) the trial of issues and interlocutory matters, including pleadings and examinations for discovery,
- (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
- (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
- (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
- (f) the service of documents, and
- (g) the burden of proof on the parties.

**(13)** On an application under subsection (6), the Court shall make an order

- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(14)** On

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,

- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

**(15)** Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

**(16)** Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

**(17)** The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

**(18)** If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**(19)** Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains 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.

**(20)** 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 by reason of the payment be less than the aggregate of its liabilities.

RSA 2000 cB-9 s191;2005 c40 s7

**APPENDIX “B”**

**LIST OF CURRENT DIRECTORSHIPS**

<b>Name of Director</b>	<b>Name of Issuer</b>
John F. Driscoll	Petrofund Energy Trust (NCE Petrofund and NCE Energy Trust amalgamation) NCE Diversified Flow-Through (07) Limited Partnership NCE Diversified Flow-Through (07-2) Limited Partnership NCE Diversified Flow-Through (08) Limited Partnership Sentry Select Diversified Income Trust Sentry Select Commodities Income Trust Endev Energy Inc. Inter Pipeline Fund CAPVEST Income Corp. Strategic Energy Fund Sentry Select Capital Corp. Commercial and Industrial Securities Income Trust Diversified Income Trust II Select 50 S-1 Income Trust Select 50 S-1 Income Trust II PRO-VEST Growth & Income Fund Alliance Split Income Trust Multi Select Income Trust Premier Value Income Trust Sentry Select MBS Adjustable Rate Income Fund II Sentry Select Blue-Chip Income Trust Sentry Select Global Index Income Trust Sentry Select Focused Growth & Income Trust Charter Real Estate Investment Trust Canadian Income Management Inc. Canadian Income Management Trust Oil Sands Split Trust Diversified Preferred Share Trust Global DiSCS Trust 2004-1 Oil Sands and Energy Mega-Projects Trust Precious Metals and Mining Trust Sentry Select Total Strategy Fund Global Alternative Investments Universal Infrastructure Corp. Sentry Select 40 Split Income Trust Sentry Select Lazard Global Listed Infrastructure Fund Sentry Select China Fund Sentry Select Primary Metals Corp Sentry Select Global Real Estate Fund C.A. Bancorp Canadian Realty Finance Corporation
Frank J. Crothers	Abaco Markets Limited Caribbean Utilities Company Ltd. Nuinsco Resources Limited CIC Energy Corp. BrazMin Corp. C.A. Bancorp Inc. Franklin Templeton Resource Funds Victory Nickel Ltd. Sentry Select Total Strategy Fund

Name of Director	Name of Issuer
Mark Gardhouse	C.A. Bancorp Canadian Realty Finance Corporation Sentry Select Total Strategy Fund
Philip Johnson	European Goldfields Limited Canadian Income Management CIM Limited Capvest Income Corp. Universal Infrastructure Corp. Global Alternative Investments Inc. Sentry Select Primary Metals Corp. Sentry Select Total Strategy Fund
Frank Potter	Canadian Tire Corporation Limited Softchoice Corporation Golden China Resources CAPVEST Income Corp. Penn West Energy Trust Sentry Select Capital Corp. Strategic Energy Fund Canadian Income Management Inc. Canadian Income Management Trust Sentry Select Diversified Income Trust Diversified Income Trust II Select 50 S-1 Income Trust Select 50 S-1 Income Trust II Pro-Vest Growth & Income Fund Commercial and Industrial Securities Income Trust Multi Select Income Trust Alliance Split Income Trust Premier Value Income Trust Sentry Select MBS Adjustable Rate Income Fund II Sentry Select Focused Growth & Income Trust Sentry Select Global index Income Trust Sentry Select Blue-Chip Index Income Trust Sentry Select Commodities Income Trust Sentry Select 40 Split Income Trust Sentry Select Lazard Global Listed Infrastructure Fund Oil Sands Split Trust Diversified Preferred Share Trust Global DiSCS Trust 2004-1 Oil Sands and Energy Mega-Projects Trust Precious Metals & Mining Trust Sentry Select Total Strategy Fund Sentry Select China Fund Sentry Select Global Real Estate Fund
Richard J. Zarzeczny	CAPVEST Income Corp. Endev Energy NCE Diversified Flow-Through (07) Limited Partnership NCE Diversified Flow-Through (07-2) Limited Partnership NCE Diversified Flow-Through (08) Limited Partnership Strategic Energy Fund Charter Real Estate Investment Trust Canadian Income Management Inc. Sentry Select Total Strategy Fund

<b>Name of Director</b>	<b>Name of Issuer</b>
	Global Alternative Investments Inc. Universal Infrastructure Corp. Sentry Select Primary Metals Corp.