



**ACADIAN TIMBER**

**ACADIAN TIMBER INCOME FUND**

**Notice of Meeting**

**and**

**Management Information Circular**

**Relating to the Annual Meeting  
of Unitholders and Special Unitholders**

**March 25, 2008**

## NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of Unitholders of the ACADIAN TIMBER INCOME FUND (the "**Fund**") will be held at the Hockey Hall of Fame, The Esso Theatre, Brookfield Place, 30 Yonge Street, Toronto, Ontario on Wednesday, the 7<sup>th</sup> day of May, 2008 at 10:30 am (Toronto time) for the following purposes:

1. to receive the annual report of the Fund and the consolidated financial statements of the Fund for the year ended December 31, 2007 together with the auditors' report thereon;
2. to appoint auditors of the Fund and to authorize the trustees to fix the remuneration of the auditors;
3. to elect trustees of the Fund; and
4. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

Copies of the management information circular (the "**Circular**") and form of proxy (the "**Proxy**") accompany this notice. The specific details of the matters proposed to be put before Unitholders at the Meeting are set forth in the Circular accompanying and forming part of this notice. Unitholders are directed to read the Circular carefully in evaluating the matters for consideration at the Meeting.

Only Unitholders of record as at March 25, 2008, are entitled to vote their units at the Meeting, or at any adjournment thereof, either in person or by Proxy.

Unitholders who are unable to attend the Meeting in person are requested to complete, sign and date the accompanying form of proxy in accordance with the instructions provided therein and in the Circular and return it in the envelope provided for that purpose in accordance with the instructions and timelines set forth in the Circular.

DATED this 25th day of March, 2008.

By Order of the Board of Trustees

(signed) Samuel J.B. Pollock  
Chairman of the Board

## **GENERAL PROXY INFORMATION**

### **Solicitation of Proxies**

This Circular is furnished in connection with the solicitation of proxies by the Manager of the Fund for use at the Meeting to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. References in this Circular to the Meeting include any adjournment or adjournments thereof. It is expected that the solicitation will be primarily by mail, however proxies may also be solicited personally by telephone or by facsimile by the trustees and/or officers of the Fund at nominal cost. The cost of solicitation by management will be borne by the Fund. Pursuant to National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the Units. The cost of any such solicitation will be borne by the Fund.

### **Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are trustees of the Fund and will represent management at the Meeting. A Unitholder desiring to appoint some other person, who need not be a Unitholder, to represent him at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy depositing the completed proxy at office of CIBC Mellon Trust Company indicated on the enclosed proxy form no later than the end of business (Toronto Time) on May 5, 2008.

A Unitholder forwarding the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Unitholder giving the proxy wishes to confer a discretionary authority with respect to any item of business then the space opposite the item is to be left blank. The Units represented by the proxy submitted by a Unitholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Unitholder or by his attorney duly authorized in writing, and deposited either at the registered office of the Fund or the office of its Transfer Agent at any time up to and including the last business day preceding the date of the Meeting or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof in any other manner permitted by law.

### **Exercise of Discretion by Proxies**

The persons named in the enclosed 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 passing each of the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to 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 Holders of Fund Units**

The information set forth in this section is of significant importance to all Fund Unitholders, as all units of the Fund ("Fund Units") are registered in the name of CDS & Co. ("CDS") (the nominee of CDS Clearing and Depository Services Inc., which acts as depository for many Canadian brokerage firms). Units held by CDS can only be voted (for or against resolutions) upon the instructions of the Fund Unitholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting

Units for the broker's clients. Therefore, Fund Unitholders should ensure that instructions respecting the voting of their Units are communicated to the appropriate party.

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Fund Unitholders in advance of Unitholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Fund Unitholders in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to a Fund Unitholder by his or her broker (or the agent of the broker) is identical to the form of proxy provided to registered Unitholders. However, its purpose is limited to instructing the registered Fund Unitholder (the broker or agent of the broker) how to vote on behalf of the Fund Unitholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions ("Broadridge"). Broadridge normally prepares a "Voting Instruction Form" (the "VIF") based upon the Fund's form of proxy, which it then distributes to Fund Unitholders. The VIF must then be returned to Broadridge by the Fund Unitholder to be valid. 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 Fund Unitholder receiving a Broadridge VIF cannot use that proxy to vote Units directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Units voted at the Meeting. Some brokers who do not use Broadridge's services send out the Fund's form of proxy to Fund Unitholders, executed by the broker but otherwise incomplete; the Fund Unitholder must mark the proxy how her or she wishes to vote and return the proxy either directly to the Transfer Agent or to the broker, who will then forward the proxy to the Transfer Agent. **A FUND UNITHOLDER CANNOT VOTE THEIR FUND UNITS IN PERSON AT THE MEETING UNLESS THE FUND UNITHOLDER APPOINTS HIMSELF OR HERSELF AS THEIR OWN PROXY.**

Although a Fund Unitholder may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of his or her broker (or an agent of the broker), a Fund Unitholder may attend at the Meeting as proxy holder for the registered Unitholder and vote the Units in that capacity. Fund Unitholders who wish to attend the Meeting and indirectly vote their Units as proxy holder for the registered Unitholder, should enter their own names in the blank space on the form of proxy provided to them and return same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting. If a Fund Unitholder has voted by mail and would like to change his or her vote, the Fund Unitholder should contact his or her nominee to discuss whether this is possible and what procedures such non-registered holder should follow.

#### **Voting Securities and Principal Holders Thereof**

An unlimited number of units of the Fund Units are issuable pursuant to the Declaration of Trust. Each Fund Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund whether of net income, net realized capital gains or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund. All Fund Units are of the same class with equal rights and privileges. The Fund Units are not subject to future calls or assessments, and entitle the holder thereof to one vote for each Fund Unit held at all meetings of Unitholders.

The Record Date for the purpose of determining Unitholders entitled to receive notice of the Meeting is March 25, 2008. The Fund will prepare a list of holders of Units at the close of business on the Record Date. Each holder of Units named in the list will be entitled to vote at the Meeting the Units shown opposite his name on the list. In accordance with the Declaration of Trust, any Unitholder who was a Unitholder on the Record Date shall be entitled to vote at the meeting or any adjournment thereof even though the Unitholder has since that time disposed of his or her Units, and no Unitholder becoming such after the Record Date shall be so entitled to vote at the Meeting or any adjournment thereof.

A quorum for the transaction of business at the Meeting is the presence of two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 10% of the votes attached to all Units then outstanding.

As at the date hereof the following table sets forth the only persons who, to the knowledge of the Trustees and senior officers of the Fund, beneficially owns or exercises control or direction over securities of the Fund carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Fund entitled to be voted at the Meeting.

Name	Number of Units	Percentage of Class	Percentage of Votes
Brookfield Asset Management Inc. <sup>(1)</sup>	3,006,232 Fund Units	25%	25%

Notes:

(1) In addition to the 3,006,232 Fund Units held by Brookfield Asset Management Inc. (“**Brookfield**”), Brookfield’s subsidiary, Katahdin Timberlands LLC, holds 4,507,030 convertible Class B preferred membership interests in KFM LLC (the “Class B Interests”), which are convertible, on a one-to-one basis, for Fund Units. If these Class B Interests were fully exchanged into Fund Units then the combined holdings of Brookfield and its affiliates would be equivalent to 45.3% of all outstanding Fund Units on a fully diluted basis.

## ANNUAL BUSINESS

### Receipt of Financial Statements

The audited financial statements of the Fund for the period commencing January 1, 2007 and ended December 31, 2007 and the report of the auditors thereon will be presented at the Meeting.

### Election of Trustees

It is proposed that the Fund's existing five Trustees be re-elected at the Meeting.

The Declaration of Trust provides for a minimum of three and a maximum of ten Trustees. The Trustees are to supervise the activities and manage the affairs of the Fund. At all times a majority of the Trustees will be Independent Trustees. At all times a majority of the Trustees will be Canadian Residents. The Trustees are to be elected by Unitholders at every annual meeting.

The information below as to the Units of the Fund beneficially owned or over which control or direction is exercised by the nominees for election as Trustees hereinbefore named is in each instance based upon information furnished by the nominee.

The persons named in the enclosed form of proxy intend to vote for the re-election of the five trustees noted below as the Trustees of the Fund to hold office until the next annual meeting of Unitholders.

## Trustees of the Fund

The following table states the names and municipalities of residence of all the Trustees of the Fund, their respective principal occupations, business or employment within the five preceding years, their beneficial ownership of Units and the year in which they became trustees of the Fund. These Trustees are up for election at the Meeting.

### **J.W. Bud Bird, O.C.**

Trustee, member of Audit Committee and Compensation, Nominating, and Corporate Governance Committee

Mr. Bird owns 5,000 Units of the Fund.<sup>(1)</sup>

Trustee since January 23, 2006

#### **Profile:**

Mr. Bird is Chairman and Chief Executive Officer of Bird Holdings Ltd., business investment and real estate development company. He is also a director of Barrett Diversified Corporation, Enbridge Gas New Brunswick and Chairman Emeritus of Miramichi Salmon Association and Atlantic Salmon Federation. Mr. Bird is a former director of Nexfor Inc. (which subsequently changed its name to Norbord Inc.) and ADI Limited. Mr. Bird is a former Member of Parliament and a former Minister of National Resources for the Province of New Brunswick. Mr. Bird is “financially literate” for the purposes of National Instrument 52-110 Audit Committees and the board of Trustees has determined that he is “independent” for the purposes of National Instrument 58-101. He is a resident of Fredericton, New Brunswick.

### **Reid Carter**

Trustee

Mr. Carter owns 8,300 Units of the Fund.<sup>(1)</sup>

Trustee since January 31, 2006

#### **Profile:**

Mr. Carter is the President and Chief Executive Officer of Acadian and Managing Partner of Brookfield Timberlands Management LP, the Fund’s Manager, where he leads Brookfield’s timberlands management strategy. Reid is focused on the acquisition and management of private timberlands throughout North America and Latin America. Since his joining Brookfield in 2003, Brookfield’s timberlands portfolio has grown from a modest operation of 400,000 acres under management to the sixth largest timberland estate in North America by value, with more than 2.5 million acres under management. Reid joined Brookfield after serving as National Bank Financial’s Paper and Forest Products Research Analyst where he was a top-ranked analyst. Reid has a detailed understanding of the management, assets and relative global competitive positioning of North American Paper and Forest Products companies. Reid is a BC Registered Professional Forester and has over 28 years of experience in the forest industry including senior roles in TimberWest Forest Corp. and Fletcher Challenge Canada. Mr. Carter is a resident of West Vancouver, British Columbia.

**David Mann**

Trustee, Chair of Audit Committee and Member of Compensation, Nominating, and Corporate Governance Committee

Mr. Mann owns 1,500 Units of the Fund.<sup>(1)</sup>

Trustee since January 31, 2006

**Profile:**

Mr. Mann is legal counsel at Cox & Palmer, a full service Atlantic provinces law firm, and has over 30 years of experience in the practice of corporate and commercial law, with particular emphasis on corporate finance and public utility regulation. Mr. Mann has held the position of Vice Chairman of Emera Inc., a diversified energy and services company listed on the TSX, from November, 2004 to April, 2005, prior to which he was the company's President and C.E.O. since January 1999. Mr. Mann was President and C.E.O. of Nova Scotia Power Inc., another TSX listed company, from 1996 to 2004. Mr. Mann is the Chairman of the audit committee for NewGrowth Corp and Allbanc Split Corp, he is also the chairman of Logistec Corporation, three TSX listed companies, and the Chairman of Shear Wind Inc., which is listed on the TSX Venture Exchange. Mr. Mann holds a Bachelor of Commerce and a Bachelor of Laws from Dalhousie University and a Master of Laws from the University of London, England. Mr. Mann is "financially literate" for the purposes of National Instrument 52-110 Audit Committees and the board of Trustees has determined that he is "independent" for the purposes of National Instrument 58-101. Mr. Mann is a resident of Chester, Nova Scotia.

**Louis J. Maroun**

Lead Trustee, Chair of Compensation, Nominating, and Corporate Governance Committee and Member of Audit Committee

Mr. Maroun owns 105,000 Units of the Fund.<sup>(1)</sup>

Trustee since January 31, 2006

**Profile:**

Mr. Maroun is Executive Chairman of ING Real Estate Canada, one of Canada's leading real estate investment managers and largest Industrial landlord. Globally, ING Real Estate is the largest real estate investment manager with approximately \$110 billion in assets. Mr. Maroun also serves on the board of InStorage REIT, a TSX listed company. Mr. Maroun is also Chair of the National Board of Directors of the MS Society of Canada, a director of the MS Research Foundation, co-founder of Casting for Recovery Canada, Board member of Techlink Entertainment, a Director of the Atlantic Salmon Foundation and recently appointed to the Business Advisory Committee - Shannon School of Business.

**Samuel J.B. Pollock**

Chair of Board of Trustees

Mr. Pollock owns 15,000 Units of the Fund.<sup>(1)</sup>

Trustee since January 31, 2006

**Profile:**

Mr. Sam Pollock is Managing Partner Private Equity at Brookfield Asset Management. Mr. Pollock is responsible for the expansion of the infrastructure operating platform and Brookfield's proprietary investment initiatives. Mr. Pollock joined Brookfield's financial services operation in 1994 and has held various senior positions in the organization, including leadership of the company's financial advisory services and merchant banking operations. He currently serves as a director of Fraser Papers Inc. and Renasant Financial Partners Ltd. Mr. Pollock is a Chartered Accountant and holds a business degree from Queen's University. Mr. Pollock is a resident of Oakville, Ontario.

Notes:

(1) Units beneficially owned or controlled. As of March 24, 2008, the current trustees of the Fund owned beneficially, directly and indirectly, 134,800 Units representing approximately one percent of the issued and outstanding Units.

**Re-Appointment of Auditors**

The auditors of the Fund are Ernst & Young LLP, Chartered Accountants, Ernst & Young Tower, 222 Bay St., P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario, M5K 1J7. Ernst & Young LLP was first appointed auditors of the Fund on January 31, 2006.

It is proposed that Ernst & Young LLP, Chartered Accountants, be re-appointed as auditors of the Fund at the Meeting.

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Ernst & Young LLP, Chartered Accountants, as the auditors of the Fund to hold office until the next annual meeting of Unitholders, at a remuneration to be fixed by the Trustees.

**Other Matters**

Unless otherwise stated, the information contained herein is given as of March 25, 2008. Management of the Fund is not aware of any other matters that are to be presented at the Meeting other than matters referred to in the Notice of Meeting. If any matters other than those referred to in this Circular should be presented at the Meeting, however, the persons named in the enclosed proxies are authorized to vote the Units represented by the proxies in accordance with their best judgment.

**COMPENSATION**

**Compensation of Trustees**

Independent Trustees are paid an annual retainer of \$25,000 per Trustee per year and \$1,000 per meeting per Trustee for attending meetings of the Trustees or committees of the Trustees. The Chairperson of the Trustees is entitled to receive compensation of \$3,000 per year but will receive no meeting fees. The Chairperson of each standing committee of the board will receive additional compensation of \$3,000 per year. The Fund reimburses Trustees for out-of-pocket expenses for attending Trustees meetings or committees of the Trustees or in connection with their services as Trustees, and Trustees participate in the



Fund's insurance and indemnification arrangements. In 2007, the Independent Trustees received \$98,000 in aggregate compensation. Trustees that are employees of the Manager or its affiliates received no compensation from the Fund.

### **Statement of Executive Compensation**

None of the Fund, AT Trust (the "**Trust**"), Acadian Timber Limited Partnership (the "**LP**"), AT Limited Partnership (the "**Operating LP**") nor Katahdin Forest Management LLC ("**KFM LLC**") paid any salary, bonus, other annual compensation, or other compensation to any officer or employee of any of them for year ended December 31, 2007. All of the Executive Officers of the Fund, the Trust, the LP, the Operating LP nor KFM LLC are employed by and remunerated by the Manager.

### **Employment and Severance Arrangements with Executive Officers**

None of the Executive Officers of the Fund, the Trust, the LP, the Operating LP nor KFM LLC has a written employment contract with the Fund, the Trust, the LP, the Operating LP or KFM LLC.

### **Unit/Stock Options**

None of the Fund, the Trust, the LP, the Operating LP nor KFM LLC have adopted any Unit option plan or stock option plan. No Units have been acquired during the year ended December 31, 2007 pursuant to the exercise of options.

### **Report on Executive Compensation**

The Nominating, Compensation and Corporate Governance Committee of the Fund makes recommendations concerning the remuneration of Trustees. The Manager provides compensation to its management at no additional cost to the Fund, the Trust, the LP, the Operating LP nor KFM LLC. The Manager has the responsibility to determine the level of compensation in respect of the Manager's, and indirectly the Fund's, Senior Executives (including the Executive Officers) with a view towards providing such executives with competitive compensation package having regard to performance.

## **MANAGEMENT OF THE FUND**

Brookfield Timberlands Management LP (the "**Manager**") assists in the preparation and implementation of the overall strategic plan in respect of the assets of the Operating LP, as well as monitoring and assisting with the day-to-day operations of the assets of the Operating LP, pursuant to a management agreement between Operating LP, Fraser Papers, KFM LLC, and the Manager dated October 3, 2005 and joined by the Operating LP on January 31, 2006 (the "**Management Agreement**"). The Manager is a wholly-owned subsidiary entity of Brookfield, which holds indirectly all of the Class B Interests and also holds approximately 70.5% of the issued and outstanding common shares of Fraser Papers. The Manager's services to the Operating LP and KFM LLC are provided under the Management Agreement. The Management Agreement expires on October 3, 2025, unless terminated in accordance with its terms, subject to automatic renewals for successive ten year terms.

In connection with its duties, the Manager, under the oversight, direction and authority of the Trustees and subject to adherence with the Fund's overall strategic plan from time to time, is responsible for, among other things: advising with respect to marketing and sales; advising on all significant fibre supply commitments; overseeing the preparation of operational plans and budgets and making recommendations in respect thereof to KFM LLC and the Operating LP; monitoring and overseeing internal management teams, operational plans, and operating activities; advising with respect to the best practices and new developments in silviculture and other forestry practices; advising and assisting with proposed financings; advising and assisting with acquisitions and dispositions; advising and assisting with community and investor relations; overseeing the Fund's reporting requirements under applicable law; providing oversight of tax planning activities and oversight related to the preparation of income tax returns; providing

assistance with the coordination and oversight of legal services; providing oversight of information technology support and services; providing oversight of certain treasury services; and overseeing and coordinating the issuance of press releases approved by the Board.

In consideration for the provision of its services, The Manager is entitled to receive an annual base fee and an annual performance fee. For the year ended December 31, 2007, the Manager earned from the Partnership an annual fee of \$2.0 million and a performance fee of \$0.

The Manager is responsible for all of its own expenses, including administrative costs, employment expenses of its personnel, rent and other overhead expenses of the Manager, and expenses of the Trustees and officers of Acadian Timber GP Inc. (the “GP”) who are also officers or employees of the Manager or of an affiliate of the Manager (except expenses incurred in attending meetings of the Trustees).

The following individuals are senior officers of the Manager:

NAME	MUNICIPALITY OF RESIDENCE	POSITION
Brian Banfill	Burnaby, British Columbia	Senior Vice President, Finance
Reid Carter	West Vancouver, British Columbia	President
Joseph Cornacchia	Toronto, Ontario	Controller
Joe Freedman	Toronto, Ontario	Vice President
Jack Sidhu	Toronto, Ontario	Vice President and Treasurer
Darshan Sihota	Nanaimo, British Columbia	Senior Vice President, Operations
Leigh Tang	Vancouver, British Columbia	Secretary

For greater description of the Manager and the Management Agreement, please see the section entitled “The Manager” in the Fund’s Annual Information Form dated March 25, 2008.

## OTHER INFORMATION

### **Indebtedness of Trustees and Officers**

As of the date hereof, no individual who is, or at any time during the most recently completed financial year of the Fund ended December 31, 2007 was, a Trustee or senior officer of the Fund, the Holding Trust or the Partnership, no individual proposed as a nominee for election as a Trustee of the Fund and no associates or any such trustee, officer or proposed nominee, has been indebted to the Fund, the Trust, the LP, the Operating LP or KFM LLC, nor has any such individual's indebtedness to another entity at any time since the beginning of the most recently completed financial year been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Fund, the Trust, the LP, the Operating LP or KFM LLC in connection with the purchase of securities of the Fund.

### **Trustees' and Officers' Liability Insurance and Indemnification**

The directors and officers of the LP, Operating LP and KFM LLC, and the Trustees and the trustees of the Trust (the “Trust Trustees”) are covered under a directors and officers insurance policy that

provides an aggregate limit of liability applicable to the insured individuals of \$50 million, inclusive of costs to defend claims.

#### **Prior Purchases and Sales of Securities**

There have been no issuances of securities that have been sold or purchases of securities by the Fund, the Trust, the LP, the Operating LP nor KFM LLC in the year ended December 31, 2007.

#### **Interest of Informed Persons in Material Transactions**

Fraser Papers previously held 3,613,780 Class B LP Units of Acadian Timber Limited Partnership, which were exchangeable for Units of the Fund on a one for one basis, subject to customary anti-dilution adjustments. Frasers Papers exchanged all of these shares and sold 1,013,780 to two investment dealers and the remaining 2,600,000 to Brookfield on September 26, 2007.

Fraser Papers is a subsidiary of Brookfield, of which Brookfield owns 70.5% and is also a major customer of the Fund. Approximately 37% of the net sales of the Fund for the twelve months ended December 31, 2007 were derived from lumber mills and pulp and paper mills owned or managed by Fraser Papers. These sales are in relation to a Fibre Supply Agreement between the Operating LP and Fraser Papers dated January 31, 2006, in which the Operating LP agreed to sell forest products from its NB Timberlands. The agreement has a term of 20 years and governs volumes and specifications over that period. For greater description of this agreement, please see the section entitled "Principal Agreements" in the Fund's Annual Information Form dated March 25, 2008.

#### **Additional Information**

Additional information relating to the Fund can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Unitholders may contact Zev Korman, Director of Investor Relations and Communications for the Fund at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3 or by telephone at (416) 359-1955 to request copies of the Fund's financial statements and Management Discussion and Analysis ("MD&A"), the Information Circular and the Annual Information Form. Further information can also be found on the Fund's website: [www.acadiantimber.com](http://www.acadiantimber.com).

Financial information for the Fund's most recent completed financial year is provided in its comparative financial statements and the MD&A which are filed on SEDAR and can be found at [www.sedar.com](http://www.sedar.com).

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

#### **Governance Practices**

A description of the Company's corporate governance practices is set out below in response to the requirements of National Instrument 58-101 Disclosure of Corporate Governance Practices and in the form set forth in Form 58-101F1 Corporate Governance Disclosure. The Fund and our Board of Trustees are committed to working together to achieve strong and effective corporate governance, with the objective of promoting the long-term interests of the company and the enhancement of value for all unitholders. We continue to review and improve our corporate governance policies and practices in relation to evolving legislation, guidelines and best practices. Our Board of Trustees is of the view that our corporate governance policies and practices and our disclosure in this regard are comprehensive and consistent with the guidelines established by Canadian securities regulators. The Fund's Board and Committee Charters are attached as Appendix A. The position description for the Chair of the Board of Trustees and the Chairs of the Board's committees are set out in Appendix B.

For further information on the Audit Committee, see the section entitled “Audit Committee Information” on page 64 of the Fund’s Annual Information Form dated March 25, 2008 available at www.sedar.com.

Form 58-101F1 Corporate Governance Disclosure	Acadian Timber Income Fund Governance Practices
<p><b>1. Board of Directors</b></p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>J.W. Bud Bird, O.C. Louis J. Maroun David Mann</p>
<p>(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.</p>	<p>Reid Carter Samuel J.B. Pollock Reid Carter is the Chief Executive Officer and Managing Partner of the Manager of the Fund. Samuel J.B. Pollock is a Managing Partner at Brookfield, which holds a significant direct and indirect interest in the Fund.</p>
<p>(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the “Board”) does to facilitate its exercise of independent judgment in carrying out its responsibilities.</p>	<p>The majority of the trustees are independent as defined by Multilateral Instrument 52-110 Audit Committees.</p>
<p>(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>David Mann is a director of Allbanc Split Corp 11, Logistec Corp., New Growth Corp. and Chairman of Shear Wind Inc. Louis J. Maroun is a director of ING Real Estate Canada and InStorage Real Estate Investment Trust. Samuel J.B. Pollock is a director of Fraser Papers Inc. and Renasant Financial Partners Ltd.</p>
<p>(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.</p>	<p>The Board has at least four scheduled meetings each year. In 2007 there were 6 meetings.</p>

<p align="center"><b>Form 58-101F1 Corporate Governance Disclosure</b></p>	<p align="center"><b>Acadian Timber Income Fund Governance Practices</b></p>
<p>(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.</p>	<p>The Chairperson of the Board of Trustees is Samuel J.B. Pollock.</p> <p>Louis J. Maroun is the lead Trustee.</p> <p>If the Chair is not an independent trustee, the lead independent Trustee will monitor the adequacy of materials provided to the Trustees, ensure Trustees have adequate opportunities to meet without management present and preside over in camera meetings of the independent Trustees. The lead Trustee will also be responsible for ensuring the board’s agenda will enable it to successfully carry out its duties and that the functions identified in these board of trustees terms of reference are effectively carried out by the Board and its committees.</p>
<p>(g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer’s most recently completed financial year.</p>	<p>All the Trustees attended each of the six Board meetings held during 2007 with the exception of Mr. Maroun, who was unable to attend the March 12<sup>th</sup> Board of Trustees meeting.</p>
<p><b>2. Board Mandate</b></p> <p>Disclose the text of the Board’s written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The Board mandate can be found in the Board and Committee Charters attached to this document as Appendix A and is as follows:</p> <ul style="list-style-type: none"> <li>• The role of the Acadian Timber Fund Board of Trustees is to oversee directly and through its committees, the business and affairs of the Fund and its subsidiary entities, which are conducted by the officers and employees of the Fund, its subsidiary entities and Brookfield Timberlands Management LP. In doing so, the board acts at all times with a view to the best interest of the Fund and its unitholders.</li> <li>• The Board is elected by the unitholders to oversee management to ensure that the best interest of the unitholders are advanced by enhancing unitholders in the Fund including its employees, supplies, customers and the communities in which they operate.</li> </ul> <p>In addition, the Board performs functions as set out in the Board and Committee Charters in Appendix A.</p>

<p align="center"><b>Form 58-101F1 Corporate Governance Disclosure</b></p>	<p align="center"><b>Acadian Timber Income Fund Governance Practices</b></p>
<p><b>3. Position Descriptions</b></p> <p>(a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p> <p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>The Board has developed written descriptions for the role of Chair of the Board and committee chairs. These descriptions are found at Appendix B.</p> <p>The Fund does not employ a CEO as the Fund’s business is operated by the Manager, which is lead by a Chief Executive Officer and Managing Partner.</p> <p>The Chief Executive Officer of the Manager provides leadership to the Fund, and subject to approved policies and direction by the Board, oversees the management of the business and affairs of the Fund and its subsidiaries.</p>
<p><b>4. Orientation and Continuing Education</b></p> <p>a) Briefly describe what measures the Board takes to orient new directors regarding</p> <ul style="list-style-type: none"> <li>i) the role of the Board, its committees and its directors, and</li> <li>ii) the nature and operation of the issuer’s business.</li> </ul> <p>b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>Arrangements are made for specific briefing sessions from appropriate senior personnel to help new Trustees better understand the Fund’s strategies and operations. Invitations are also given to existing Board members to join the sessions as a refresher. The Trustees are given annual review for each of the Fund’s strategic business units and more detailed presentations on particular strategies. The Trustees are provided with comprehensive information about the Fund and its affiliates. They have the opportunity to meet and participate in work sessions with management to obtain insight into the operations of the Fund and its affiliates.</p> <p>Arrangements are made for specific briefing sessions from appropriate senior personnel to help existing Trustees better understand industry related changes.</p>

Form 58-101F1 Corporate Governance Disclosure	Acadian Timber Income Fund Governance Practices
<p><b>5. Ethical Business Conduct</b></p> <p>a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p> <p>i) disclose how a person or company may obtain a copy of the code;</p> <p>ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and</p>	<p>The Board has adopted a written code of ethics.</p> <p>The code of ethics can be obtained from the Fund through the contact information provided in the “Additional Information” section of this Circular. The code of ethics can also be found at <a href="http://www.sedar.com">www.sedar.com</a>.</p> <p>The code of ethics includes compliance procedures. Compliance with the code is the responsibility of all employees. If employees are tasked work they feel is unethical or if they witness unethical behaviour among other employees then they are encouraged to acknowledge and discuss the issue. If the problem cannot be resolved this way then employees are encouraged to talk to their supervisor or other superiors at the Fund. The Fund also maintains an anonymous whistle blower hotline for detecting violations of laws and corporate policies.</p>
<p>iii) provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>There have been no such departures.</p>
<p>b) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>In the event any transactions or agreements occur in respect of which a trustee or officer has a material interest, such material interest is disclosed to the Board in the course of approving the transactions or agreement and the trustee or officer thereby provides full disclosure to the Chairman of the Audit Committee of such material interest. In the event a trustee has a material interest in any transaction or agreement, such director will abstain from voting in that regard</p> <p>Employees with potential conflicts of interests are encouraged to consult their supervisor or department head.</p>
<p>c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>Through the above-noted methods, the board encourages and promotes a culture of ethical business conduct.</p>

Form 58-101F1 Corporate Governance Disclosure	Acadian Timber Income Fund Governance Practices
<b>6. Nomination of Directors</b>	
a) Describe the process by which the Board identifies new candidates for Board nomination.	The Compensation, Nominating and Corporate Governance Committee is responsible for identifying and proposing new nominees for the Board in a manner that is responsive to the Fund's needs and the interests of its unitholders.
b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.	The Compensation, Nominating and Corporate Governance Committee is composed of three members and all of them are independent.
c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Compensation, Nominating and Corporate Governance Committee is responsible for: <ul style="list-style-type: none"> <li>(a) reviewing and making recommendations concerning the appointment of officers of the GP;</li> <li>(b) making recommendations concerning the remuneration of Trustees and directors;</li> <li>(c) administering and making recommendations regarding the operation of any long-term incentive plan and any other employee incentive plans. In reviewing the adequacy and form of compensation and benefits, the committee seeks to ensure that the compensation and benefits reflect the responsibilities and risks involved in being a trustee of the Fund and align the interests of the trustees with the best interests of the unitholders;</li> <li>(d) reviewing the performance of the Manager and dealing with any contractual issues;</li> <li>(e) developing the Fund's approach to governance issues;</li> <li>(f) filling vacancies among the Trustees and directors;</li> <li>(g) periodically reviewing the effectiveness of the Trustees and directors and the contribution of individual Trustees and directors, including an annual evaluation of the effectiveness of the board as a whole, the committees of the board and the contributions of</li> </ul>



<b>Form 58-101F1 Corporate Governance Disclosure</b>	<b>Acadian Timber Income Fund Governance Practices</b>
	<p>individual trustees;</p> <p>(h) adopting and periodically reviewing and updating the Fund's written disclosure policy.</p> <p>Further information on the mandate and role of the committee can be found in the Board and Committee Charters attached to this document as Appendix A.</p>
<p><b>7. Compensation</b></p> <p>a) Describe the process by which the Board determines the compensation for the issuer's directors and officers.</p> <p>b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p> <p>c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p> <p>d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>The Compensation, Nominating and Corporate Governance Committee is charged with making recommendations concerning the remuneration of Trustees and directors. The Committee formulates a recommendation to the Board and the final decision is made by the Board. The Fund's business is operated by the Manager and only the Trustees of the Fund are compensated directly.</p> <p>The Compensation, Nominating and Corporate Governance Committee is composed of three members and all of them are independent.</p> <p>See the response for 6(c).</p> <p>No compensation consultant or advisor has been retained.</p>
<p><b>8. Other Board Committees</b></p> <p>If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has no other standing committees.</p>

<b>Form 58-101F1 Corporate Governance Disclosure</b>		<b>Acadian Timber Income Fund Governance Practices</b>
<b>9.</b>	<b>Assessments</b>  Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.	The Compensation, Nominating and Corporate Governance Committee reviews on an annual basis the effectiveness of the Board, all Committees of the Board, and individual Trustees.

**TRUSTEES' APPROVAL**

The contents of this Circular and the delivery thereof to the Unitholders of the Fund has been approved by the Board of Trustees. Information contained in this Circular is given as of March 25, 2008, unless otherwise stated.

**BY ORDER OF THE BOARD OF TRUSTEES**

(signed) Samuel J.B. Pollock  
Chairman of the Board

Toronto, Ontario  
March 25, 2008

## APPENDIX A



ACADIAN **TIMBER**

**BOARD AND COMMITTEE CHARTERS**

**ACADIAN TIMBER INCOME FUND**

**BOARD AND COMMITTEE CHARTERS**

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## ACADIAN TIMBER INCOME FUND

### *BOARD OF TRUSTEES*

#### TERMS OF REFERENCE

The following terms of reference are intended to comply with National Policy 58-201 - Corporate Governance Guidelines.

#### 1. **ROLE OF BOARD**

The role of the Acadian Timber Income Fund (the “Fund”) board of trustees is to oversee, directly and through its committees, the business and affairs of the Fund and its subsidiary entities, which are conducted by the officers and employees of the Fund, its subsidiary entities and Brookfield Timberlands Management LP (the “Manager”). In doing so, the board acts at all times with a view to the best interests of the Fund and its unitholders.

The board is elected by the unitholders to oversee management to ensure that the best interest of the unitholders are advanced by enhancing unitholder value in a manner that recognizes the concerns of other stakeholders in the Fund including its employees, suppliers, customers and the communities in which they operate.

#### 2. **AUTHORITY AND RESPONSIBILITIES**

The board of trustees meets regularly to review reports by the Manager on the performance of the Fund, Acadian Timber Limited Partnership (the “LP”) and AT Limited Partnership (the “**Operating Partnership**”) which owns the assets from which the Fund currently derives its sole source of revenue. Trustees are responsible for attending meetings and reviewing meeting materials in advance of a board meeting. In addition to the general supervision of the Manager, the board performs the following functions:

- (a) **strategic planning** – overseeing the strategic planning process for the Fund together with the Manager and reviewing, approving and monitoring the strategic plan for the Fund and the Partnership including fundamental financial and business strategies and objectives;
- (b) **risk management** – assessing the major risks facing the Fund and reviewing, approving and monitoring the manner of managing those risks;
- (c) **Manager** – monitoring the performance of the Manager on behalf of the Fund, the LP and the Operating Partnership, with reference to the Management Agreement dated October 3, 2005 (as the same may be amended, superceded or replaced) among Fraser Papers Inc., the Manager, and Katahdin Forest Management LLC;
- (d) **acquisitions and dispositions** - reviewing and evaluating acquisitions or dispositions recommended by the Manager or Katahdin Forest Management LLC;
- (e) **communication policy** - adopting a disclosure policy for the Fund; and
- (f) **maintaining integrity** - reviewing and monitoring the controls and procedures within the Fund to maintain its integrity and promote a culture of integrity within the Fund.

These controls and procedures include its disclosure controls and procedures, its internal controls and procedures for financial reporting and compliance with its code of ethics.

### 3. COMPOSITION AND PROCEDURES

- (a) **Size of board and selection process** – The trustees of the Fund are elected each year by the unitholders at the annual meeting of unitholders. Any unitholder may propose a nominee for election to the board at the annual meeting. The board also recommends the number of trustees on the board to unitholders for approval. Between annual meetings, the board may appoint trustees to fill vacancies until the next annual meeting.
- (b) **Qualifications** – Trustees should have the highest personal and professional ethics and values and be committed to advancing the best interests of the unitholders of the Fund. They should possess skills and competencies in areas that are relevant to the Fund’s, the LP’s and the Operating Partnership’s activities. A majority of the trustees will be “unrelated” trustees within the meaning of The Toronto Stock Exchange guidelines and “independent” for the purposes of National Instruments 52-110 and 58-101.
- (c) **Meetings** – The Board of Trustees has at least four scheduled meetings each year. The Manager will be responsible for presenting an agenda to the Board for consideration. Prior to each board meeting, the Manager will present agenda items for the meeting with the Trustees for consideration. Materials for each meeting will be distributed to the Trustees in advance of the meetings.

The independent trustees will hold regular meetings at which the non-independent trustees are not in attendance.

- (d) **Committees** – The board has established the following standing committees to assist the board in discharging its responsibilities – Audit and Compensation, Nominating and Corporate Governance. Special committees may be established from time to time to assist the board in connection with specific matters. The chair of each committee reports to the board following meetings of the committee. The terms of reference of each standing committee will be reviewed annually by the board.
- (e) **Access to independent advisors** – The board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Fund.
- (f) **Chairperson of the board** – The board will elect a chairperson from its membership each year at the first meeting of the board after a meeting of the unitholders of the Fund at which the trustees are elected. The chairperson’s responsibilities have been determined and approved by the board of trustees and have been set out in a written position description. The chairperson of the board will be an independent trustee unless this is not considered appropriate by the board.
- (g) **Lead Trustee** – An independent trustee will be appointed “lead trustee”. If the chairperson is an independent trustee, then the chairperson may additionally be elected as independent trustee. The lead trustee will act as a liaison between the board of trustees and the Manager. If the chairperson is an independent trustee, then the chairperson may additionally be elected as independent trustee. If the chairperson is not an independent trustee, the lead trustee will monitor the adequacy of materials provided to the trustees, ensure trustees have adequate opportunities to meet without the management of the Manager being present and preside over in camera meetings of the independent trustees. The lead trustee’s responsibilities have been determined and approved by the board of trustees and have been set out in a written position description.



**ACADIAN TIMBER INCOME FUND**  
***AUDIT COMMITTEE***

**TERMS OF REFERENCE**

A committee of the board of trustees of the Fund to be known as the Audit Committee (the “Committee”) shall have the following terms of reference set out below.

The following terms of reference are intended to comply with National Policy 58-201 - Corporate Governance Guidelines and Multilateral Instrument 52-110 - Audit Committees.

**1. MEMBERSHIP AND CHAIRPERSON**

- (a) Following each annual meeting of unitholders, the board of trustees of the Fund (the “board”) shall appoint from its number three or more trustees (the “members”) to serve on the Committee until the close of the next annual meeting of unitholders of the Fund or until the member ceases to be a trustee, resigns or is replaced, whichever first occurs.
- (b) The members of the Committee shall be trustees who are resident Canadians and “independent” for the purposes of Multilateral Instrument 52-110 – Audit Committees.
- (c) No trustee who receives any compensation from the Fund, its affiliates or the Manager, other than trustee’s fees, shall be eligible for membership on the Audit Committee. Disallowed compensation for a Committee member includes fees paid directly or indirectly for services as a consultant or a legal or financial advisor, regardless of the amount. Disallowed compensation also includes compensation paid to such trustee’s firm for such consulting or advisory services, even if the trustee is not the actual service provider.
- (d) Each member of the Committee shall, in the judgment of the board, be financially literate for the purposes of Multilateral Instrument 52-110 - Audit Committees. In addition, at least one member of the Committee shall, in the judgment of the board, have accounting or related financial management expertise.
- (e) The board shall appoint one of the trustees as the chairperson of the Committee. If the chairperson is absent from a meeting, the members shall select a chairperson from those in attendance to act as chairperson of the meeting. The chairperson’s responsibilities have been determined and approved by the board of trustees and have been set out in a written position description.

**2. RESPONSIBILITIES**

- (a) The Committee shall generally assume responsibility for oversight and supervision of the financial and accounting practices and procedures of the Fund, the adequacy of internal accounting controls and procedures, and the quality and integrity of financial statements of the Fund; developing the approach of the Fund to the following matters; publicly disclosed financial information; risk management and insurance; and external and internal audit; and shall review and make recommendations to the board on all such matters.
- (b) The Committee shall review and, where appropriate, recommend for approval by or report to the board on the following:

- (i) interim financial statements;
  - (ii) audited annual financial statements, in conjunction with the report of the external auditor;
  - (iii) public disclosure documents containing audited or unaudited financial information, including management’s discussion and analysis of financial condition and results of operations;
  - (iv) the effectiveness of management’s policies and practices concerning financial reporting and any proposed changes in major accounting policies; and
  - (v) any report, which accompanies published financial statements (to the extent such a report discusses financial condition or operating results) for consistency of disclosure with the financial statements themselves.
- (c) The Audit Committee shall have the following responsibilities in relations with the external and internal auditors of the Fund:
- (i) to have the sole responsibility to retain or terminate the external auditor, subject to ratification by the unitholders, and to approve the fees and expenses of such auditor;
  - (ii) to receive, at least annually, a report from the external auditor on their independence and to review any relationship between the auditor and the Fund and the Manager or any other relationship that may adversely affect the independence of the auditor and, based on such review, to assess the independence of the auditor;
  - (iii) to determine, through discussion with the external and internal auditors, that no restrictions were placed by the Manager on the scope of their examination or on its implementation;
  - (iv) to approve the Fund’s policy on non-audit related work by its external auditor, and pre-approve or reject any proposed non-audit related work to be conducted by the external auditor for the Fund;
  - (v) to meet with the external and internal auditors in private session, at least annually, to review any matters arising from the annual external audit and internal audits conducted throughout the year; and
  - (vi) to review and approve the annual Internal Audit Plan and Budget.
- (d) In addition, the Committee shall:
- (i) review such litigation, claims, tax assessments, transactions or other contingencies as the external auditor or any officer of the Fund may bring to its attention and which may have a material impact on financial results or which may otherwise adversely affect the financial well-being of the Fund; and
  - (ii) consider other matters of a financial nature as directed by the board.

**3. MEETINGS**

- (a) Meetings of the Committee may be called by the chairperson of the Committee, the Chair of the board of the Fund or the Manager. Meetings will normally be held each quarter and shall be called not less than once annually.
- (b) The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the members of the Committee from time to time. Subject to the foregoing, and the Declaration of Trust under which the Fund was created, and unless otherwise determined by the board, the Committee shall have the power to fix its quorum and to regulate its procedure.
- (c) Notice of each meeting shall be given to each member, and to the Chair and the Manager. Notice of meeting may be given verbally or by letter, email, telephone facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held.
- (d) Matters decided by the Committee shall be decided by majority vote.
- (e) The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.
- (f) The Committee shall report to the board on its proceedings, review undertaken and any associated recommendations.

**ACADIAN TIMBER INCOME FUND**  
***COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE***

**TERMS OF REFERENCE**

A committee of the board of trustees of the Fund to be known as the Compensation, Nominating And Corporate Governance Committee (the “Committee”) shall have the following terms of reference set out below.

The following terms of reference are intended to comply with National Policy 58-201 - Corporate Governance Guidelines.

**1. MEMBERSHIP AND CHAIRPERSON**

- (a) Following each annual meeting of unitholders, the board of trustees of the Fund (the “board”) shall appoint from its number three trustees (the “members”) to serve on the Committee until the close of the next annual meeting of unitholders of the Fund or until the member ceases to be a trustee, resigns or is replaced, whichever first occurs.
- (b) A majority of the members of the Committee shall be “independent” for the purposes of National Instruments.201.
- (c) The board shall appoint one of the trustees as the chairperson of the Committee. If the chairperson is absent from a meeting, the members shall select a chairperson from those in attendance to act as chairperson of the meeting. The chairperson’s responsibilities have been determined and approved by the board of trustees and have been set out in a written position description.

**2. RESPONSIBILITIES**

Among other things, the Committee will be responsible for:

- (a) reviewing and making recommendations concerning the appointment of officers of the GP;
- (b) making recommendations concerning the remuneration of Trustees and directors;
- (c) administering and making recommendations regarding the operation of any long-term incentive plan and any other employee incentive plans. In reviewing the adequacy and form of compensation and benefits, the committee seeks to ensure that the compensation and benefits reflect the responsibilities and risks involved in being a trustee of the Fund and align the interests of the trustees with the best interests of the unitholders;
- (d) reviewing the performance of the Manager and dealing with any contractual issues;
- (e) developing the Fund’s approach to governance issues;
- (f) filling vacancies among the Trustees and directors;
- (g) periodically reviewing the effectiveness of the Trustees and directors and the contribution of individual Trustees and directors, including an annual evaluation of the effectiveness of the board as a whole, the committees of the board and the contributions of individual trustees;
- (h) adopting and periodically reviewing and updating the Fund’s written disclosure policy; and

- (i) considering other matters as directed by the board.

### **3. MEETINGS**

- (a) Meetings of the Committee may be called by the chairperson of the Committee, the Chair of the board of the Fund or the Manager. Meetings will be called not less than once annually.
- (b) The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the members of the Committee from time to time. Subject to the foregoing, and the Declaration of Trust under which the Fund was created, and unless otherwise determined by the board, the Committee shall have the power to fix its quorum and to regulate its procedure.
- (c) Notice of each meeting shall be given to each member, and to the Chairman and the Manager. Notice of meeting may be given verbally or by letter, email, telephone facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held.
- (d) Matters decided by the Committee shall be decided by majority vote.
- (e) The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.
- (f) The Committee shall report to the board on its proceedings, review undertaken and any associated recommendations.

## APPENDIX B



**ACADIANTIMBER**

**Position Description**

**Chair of Trustees**

## ACADIAN TIMBER INCOME FUND

### Position Description

#### Chair of Trustees

## 1. GENERAL

### 1.1 Purpose

This position description describes the appointment, role and responsibilities of the chair (the “**Chair**”) of the Trustees of Acadian Timber Income Fund (the “**Fund**”)

#### Governing Authority

This position description is subject to the provisions of the Declaration of Trust governing the Fund, as amended from time to time (the “**Declaration of Trust**”).

### 1.2 Charter

This position description should be read together with the terms of reference of the board of Trustees set out in the Fund’s governance policy (the “**Charter**”), as such Charter may be amended from time to time. Any words or terms with initial capital letters which are not defined herein shall have the meanings ascribed to them in the Charter

## 2. OFFICE OF THE CHAIR

### 2.1 Appointment

The Chair shall be appointed by the Trustees.

- (a) The office of Chair is to be vacated if:
  - (i) The Chair resigns (which resignation shall become effective upon the Chair delivering a written resignation to the Fund);
  - (ii) Death of the Chair; or
  - (iii) Resolution of the Board removing the Chair from office.

### 2.2 Term

The Chair shall be appointed for a one-year term at the first meeting of the Board after a meeting of the unitholders of the Fund at which Trustees are elected, provided however that if no successor is appointed at the end of such term, the incumbent Chair shall remain in the office until a successor is appointed.

### 2.3 Qualifications

The Chair will be an independent Trustee (as defined under Applicable Laws) or alternatively, where the Chair is not independent, there shall also be appointed an independent Trustee to act as Lead Trustee.

### 2.4 Remuneration

The Chair shall receive such remuneration as the Trustees may determine from time to time.



### 3. RESPONSIBILITY OF THE CHAIR

#### 3.1 Board Leadership

The Chair will provide leadership to Trustees in discharging their mandate as set out in the Charter including by:

- (a) Promoting a thorough understanding by the Trustees and management of:
  - (i) the duties and responsibilities of the Trustees; and
  - (ii) the distinctions between the role of the Trustees and the role of management;
- (b) recommending procedures to enhance the functioning of the Board;
- (c) promoting cohesiveness among the Trustees; and
- (d) ensuring process are in place to monitor legislation and best practices relating to the responsibilities of the Board, and to review the effectiveness of the Board, its committees and individual Trustees on a regular basis.

#### 3.2 Liaison between the Trustees and Management

If the Chair is independent, the Chair shall be the liaison between the Trustees and management, promoting open and constructive discussions between Trustees and management.

#### 3.3 Information Flow

The Chair shall promote the proper flow of information to the Trustees to keep the Trustees fully apprised of all matters which are material to the Trustees at all times.

#### 3.4 Meetings of the Board

In connection with meetings of the Trustees, the Chair shall be responsible for:

- (a) Scheduling meetings of the Trustees and coordinating with the Chairs of the committees of the Trustees to schedule meetings of the committees;
- (b) Organizing and presenting the agenda for regular or special Trustee meeting based on input from other Trustees;
- (c) If the Chair is independent, monitoring the adequacy of materials provided to the Trustees by management in connection with the Trustees' deliberations;
- (d) Ensuring that the Trustees have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Board;
- (e) Presiding over meetings of the Trustees;
- (f) If the Chair is independent, ensuring that the independent Trustees have adequate opportunities to meet without management present; and
- (g) If the Chair is independent, presiding over *in camera* meetings of the independent Trustees.

#### 3.5 Meeting of Unitholders

The Chair shall preside over meetings of the Fund's unitholders.

3.6 Other Responsibilities

The Chair shall perform such other functions:

- (a) as may be ancillary to the duties and responsibilities described above; and
- (b) as may be delegated to the Chair by the Trustees from time to time.



**ACADIANTIMBER**

**Position Description**

**Chair of The Audit Committee**

# ACADIAN TIMBER INCOME FUND

## Position Description

### Chair Of The Audit Committee

#### 1. GENERAL

##### 1.1 Purpose

This position description describes the appointment, role and responsibilities of the chair (the “**Chair**”) of the audit committee (the “**Audit Committee**”) of the trustees (the “**Trustees**”) of Acadian Timber Income Fund (the “**Fund**”).

##### 1.2 Governing Authority

This position description is subject to the provisions of the Declaration of Trust of the Fund, as amended from time to time.

##### 1.3 Charter

This position description should be read together with the terms of reference of the Audit Committee set out in the Fund’s governance policy (the “**Charter**”), as such Charter may be amended from time to time.

#### 2. COMMITTEE CHAIR

##### 2.1 Board to Appoint Chair

The Trustees shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

##### 2.2 Chair to be Appointed Annually

The designation of the Committee’s Chair shall take place annually at the first meeting of the Board after a meeting of the unitholders of the Fund at which Trustees are elected, provided that if the designation of Chair is not so made, the Trustee who is then serving as Chair shall continue as Chair until his or her successor is appointed.

##### 2.3 Remuneration

The Chair shall receive such remuneration as the Board may determine from time to time.

#### 3. RESPONSIBILITIES OF THE CHAIR

##### 3.1 Committee Leadership

The Chair will provide leadership to the Committee in discharging its mandate as set out in the Charter of the Audit Committee, including by:

- (a) promoting a thorough understanding by members of the Committee, management, the Fund's internal auditor and the Fund's external auditor of:
  - (i) the duties and responsibilities of the Committee; and
  - (ii) the relationship between the Committee and each of the Fund's
    - (A) management
    - (B) internal auditor; and
    - (C) external auditor and
- (b) promoting cohesiveness among members of the Committee.

3.2 Liaison between the Committee and Management

The Chair shall be the liaison between the Committee and each of the Fund's management, internal auditor and external auditor, promoting open and constructive discussions between members of the Committee and each of these parties.

3.3 Information Flow

The Chair shall promote the proper flow of information to the Committee to keep the Committee fully apprised of all matters which are material to the Fund at all times.

3.4 Meetings of the Committee

In connection with meetings of the Committee, the Chair shall be responsible for:

- (a) scheduling meetings of the Committee;
- (b) organizing and presenting the agenda for Committee meetings such that:
  - (i) all of the responsibilities assigned to the Committee under the terms of the Charter are discharged on a timely and diligent basis; and
  - (ii) members of the Committee have input into the agendas;
- (c) monitoring the adequacy of materials provided to the Committee by management in connection with the Committee's deliberations;
- (d) ensuring that members of the Committee have sufficient time to review the materials provided to them and to fully discuss the business that comes before the committee;
- (e) presiding over meetings of the Committee; and
- (f) presiding over *in camera* meetings of the Committee.

3.5 Reporting to the Board

The Chair shall report to the Board on the activities of the Committee as contemplated in the Committee's Charter.

**4. OTHER RESPONSIBILITIES**

4.1 Whistleblowing Policy

The Chair shall review and assess any reports made pursuant to Funds Whistleblowing Policy and shall conduct such investigations as he or she sees fit in connection with any such report. The Chair shall report to the Audit Committee and the Board in accordance with the terms of the Whistleblowing Policy.

4.2 Annual Performance Review

On an annual basis, the Chair shall coordinate with the Nominating and Corporate Governance Committee in following the process established by the Board for reviewing the performance of the Committee.

4.3 Charter Review

Under the direction of the Chair, the Committee shall review and assess the adequacy of the Charter of the Committee annually and recommend to the Board any changes it deems appropriate.

4.4 Outside Advisors

The Chair shall coordinate the retention of such outside advisors as the Committee deems appropriate to oversee the work of such outside advisors.

4.5 Other

The Chair shall perform such other functions:

- (a) as may be ancillary to the duties and responsibilities described above; and
- (b) as may be delegated to the Chair by the Committee or the Board from time to time.



**ACADIANTIMBER**

**Position Description**

**Chair of the Compensation, Nominating  
and Governance Committee**

## **ACADIAN TIMBER INCOME FUND**

### **Position Description**

#### **Chair of the Compensation, Nominating and Governance Committee**

#### **1. GENERAL**

##### **1.1 Purpose**

This position description describes the appointment, role and responsibilities of the chair (the “Chair”) of the compensation, nominating and governance committee (the “Audit Committee”) of the trustees (the “Trustees”) of Acadian Timber Income Fund (the “Fund”).

##### **1.2 Governing Authority**

This position description is subject to the provisions of the Declaration of Trust of the Fund, as amended from time to time.

##### **1.3 Charter**

This position description should be read together with the terms of reference of the Committee set out in the Fund’s governance policy (the “Charter”), as such Charter may be amended from time to time.

#### **2. COMMITTEE CHAIR**

##### **2.1 Board to Appoint Chair**

The Trustees shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

##### **2.2 Chair to be Appointed Annually**

The designation of the Committee’s Chair shall take place annually at the first meeting of the Board after a meeting of the unitholders of the Fund at which Trustees are elected, provided that if the designation of Chair is not so made, the Trustee who is then serving as Chair shall continue as Chair until his or her successor is appointed.

##### **2.3 Remuneration**

The Chair shall receive such remuneration as the Board may determine from time to time.



### **3. RESPONSIBILITIES OF THE CHAIR**

#### **3.1 Committee Leadership**

The Chair will provide leadership to the Committee in discharging its mandate as set out in the Charter of the Audit Committee, including by:

- (a) promoting a thorough understanding by members of the Committee and management of the duties and responsibilities of the Committee; and
- (b) promoting cohesiveness among members of the Committee.

#### **3.2 Liaison between the Committee and Management**

The Chair shall be the liaison between the Committee and the Fund's management promoting open and constructive discussions between members of the Committee and each of these parties.

#### **3.3 Information Flow**

The Chair shall promote the proper flow of information to the Committee to keep the Committee fully apprised of matters which are material to the Fund at all times.

#### **3.4 Meetings of the Committee**

In connection with meetings of the Committee, the Chair shall be responsible for:

- (a) scheduling meetings of the Committee
- (b) organizing and presenting the agenda for Committee meetings such that:
  - (i) all of the responsibilities assigned to the Committee under the terms of its Charter are discharged on a timely and diligent basis; and
  - (ii) members of the Committee have input into the agendas;
- (c) monitoring the adequacy of materials provided to the Committee by management in connection with the Committee's deliberations;
- (d) ensuring that members of the Committee have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Committee;
- (e) presiding over meetings of the Committee; and
- (f) presiding over in camera meetings of the Committee.

#### **3.5 Reporting to the Board**

The Chair shall report to the Board on the activities of the Committee as contemplated in the Committee's Charter.

### **4. OTHER RESPONSIBILITIES**

#### **4.1 Annual Performance Review**

On an annual basis, the Chair will oversee participation by the Committee in following the process established by the Board for reviewing the performance of the Committee.

4.2 Charter Review

Under the direction of the Chair, the Committee shall review and assess the adequacy of the Charter of the Committee annually and recommend to the Board any changes it deems appropriate.

4.3 Outside Advisors

The Chair shall coordinate the retention of such outside advisors as the Committee deems appropriate to oversee the work of such outside advisors.

4.4 Other

The Chair shall perform such other functions:

- (a) as may be ancillary to the duties and responsibilities described above; and
- (b) as may be delegated to the Chair by the Committee or the Board from time to time.



**ACADIANTIMBER**

**Position Description**

**Lead Trustee**

# ACADIAN TIMBER INCOME FUND

## Position Description

### Lead Trustee

#### 1. GENERAL

##### 1.1 Purpose

The Lead Trustee is an “outside” and “independent” trustee whose role is to assist the board of trustees (the “Board of Trustees”) of Acadian Timber Income Fund (the “Fund”) in fulfilling its duties effectively and efficiently. The Lead Trustee’s role also exists to ensure that trustees of the Fund (the “Trustees”) have an independent leadership contact. The Lead Trustee shall perform the functions of the office on a part-time basis and shall not be an executive officer of the Fund or any of its subsidiaries.

##### 1.2 Governing Authority

This position description is subject to the provisions of the Declaration of Trust of the Fund, as amended from time to time.

##### 1.3 Charter

This position description should be read together with the terms of reference of the Board of Trustees set out in the Fund’s governance policy (the “Charter”), as such Charter may be amended from time to time.

#### 2. COMMITTEE CHAIR

##### 2.1 Board to Appoint Chair

The Board of Trustees shall appoint the Lead Trustee from the members of the Board of Trustees.

##### 2.2 Chair to be Appointed Annually

The designation of the Lead Trustee shall take place annually at the first meeting of the Board of Trustees after a meeting of the unitholders of the Fund at which Trustees are elected, provided that if the designation of Lead Trustee is not so made, the Trustee who is then serving as Lead Trustee shall continue as Lead Trustee until his or her successor is appointed.

##### 2.3 Remuneration

The Lead Trustee shall receive such remuneration as the Board of Trustees may determine from time to time.

**3. RESPONSIBILITIES OF THE CHAIR**

The responsibilities of the Lead Trustee include:

- acting as a liaison between the Board of Trustees and management of the Fund, promoting open and constructive discussions between the Trustees and management;
- recommending procedures to enhance the work of the Board of Trustees;
- working with management of the Fund to ensure that the Board of Trustees is appropriately involved in approving strategy and overseeing and monitoring management's progress against achieving that strategy;
- monitoring the adequacy of materials provided to the Trustees and management in connection with the Trustee deliberations;
- ensuring that independent trustees have adequate opportunities to discuss issues without management present;
- Presiding over in camera meetings of the independent Trustees; and
- communicating to management, as appropriate, the results of private discussions among independent trustees

**4. OTHER RESPONSIBILITIES**

The Lead Trustee shall not perform policy making functions other than in the capacity as a member of the Board of Trustees. Absent specific authorization from the Board of Trustees, the Lead Trustee shall not have the right or entitlement to bind the Fund in his or her capacity as Lead Trustee.

Notes:

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**ACADIANTIMBER**