

NOVEMBER 30-DECEMBER 1, 2006

METROPOLITAN CENTRE, CALGARY

The Canadian Institute's  
NATIONAL SUMMIT ON

# INCOME TRUST

## STRUCTURING, GOVERNANCE & TAXATION

Get the latest information on the most recent trends, risks, laws, and strategies to help ensure your income trust is meeting investor expectation!

Leading income fund experts, lawyers and financial advisors will provide you with the most current and critical information on:

- Developing best practices to deal with trust board obligation, unit holder protections, transparency and management compensation
- Understanding the issues of non-resident ownership and distributable cash
- Best practices in merging income trusts, carve outs and consolidations
- How to overcome the challenges when a trust is in distress or is subject to a hostile merger

Don't miss the Sector Update Power Roundtable with Canada's top ranked Income Fund analysts!

PLUS! Add value to your attendance by participating in this essential post-conference workshop:

Friday December 1<sup>st</sup>, 2006 2:00-5:00 PM

“CONVERTING TO AN INCOME TRUST FUND:  
UNDERSTANDING THE KEY CONSIDERATIONS AND STRATEGIES”

HEAR FROM THE FOLLOWING INDUSTRY EXPERTS INCLUDING:

Co-Chairs

*Dallas L. Droppo, Q.C.*

Partner, Blake, Cassels & Graydon LLP

*D. James Watkinson, Q.C.*

Vice President, General Counsel and Secretary,  
Pembina Pipeline Corporation

Speakers (Partial List)

*John A. Brussa*

Partner, Burnet, Duckworth & Palmer LLP

*George Kesteven*

Manager, Investor Relations  
PrimeWest Energy Trust  
President, CAIF

*Hume Kyle*

Vice President, Finance and Chief Financial  
Officer, Fort Chicago Energy Partners  
Vice-President, Chair Distributable Cash  
Committee, CAIF

*Trudy Curran*

General Counsel and Corporate Secretary  
Canadian Oil Sands Limited  
Director, CAIF

*Stephen N. Pincus*

Partner and Chair, Income Funds Group  
Goodmans LLP  
Chair, Governance Committee, CAIF

*Dirk Lever*

Managing Director Global Equity Research  
Chief Income Trust Strategist  
RBC Capital Markets

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# WITH INVESTMENT MONEY AND REPUTATIONS ON THE LINE, MAKE SURE YOU KNOW THE LATEST STRATEGIES, LAWS AND RISKS RELATING TO INCOME AND ROYALTY TRUSTS!

Now that the Federal Government has decided that it does not plan to tax income trusts, the market for conversions and mergers of income funds has once again started to heat up. With competition fierce for the investment dollar the stakes have never been higher for those companies seeking to convert to an income trust and for trusts seeking to satisfy unit holder expectation.

Income trusts are now faced with a number of complicated issues relating to oversight, taxation, non-resident ownership, mergers and payout levels. A comprehensive understanding of how to deal with these complex issues is required both by companies entertaining thoughts of converting to an income trust and existing income trusts themselves.

*The Canadian Institute's National Summit on Income Trust Governance, Structuring and Taxation* is this country's most comprehensive and authoritative look at the challenges faced by income trusts and will present trustees, trust management and boards, corporate lawyers, accountants and trust advisors with their best opportunity to get the latest and crucial information on:

- The latest trends in the Income Trust market
- How to minimize risk in trust management
- How to deal with hostile M&As
- What should be considered when defining your trust's distributable cash

and so much more.

Join us, and our outstanding faculty comprised of the most respected industry leaders, and Canada's top financial professionals and lawyers for this must-attend event.

Spaces for this conference are in demand so register now to ensure your attendance. Call **The Canadian Institute** toll-free at **1-877-927-7936**, fax the registration form to **1-877-927-1563** or register online at **www.CanadianInstitute.com** to secure your spot. We look forward to seeing you at the conference.

## DISTINGUISHED FACULTY

### CO-CHAIRS

*Dallas L. Droppo, Q.C.*

Partner  
Blake, Cassels & Graydon LLP

*D. James Watkinson, Q.C.*

Vice President, General Counsel and Secretary  
Pembina Pipeline Corporation

### SPEAKERS

*Robert Anderson*

Partner  
Blake, Cassels & Graydon LLP

*John A. Brussa*

Partner  
Burnet, Duckworth & Palmer LLP

*Scott W.N. Clarke*

Partner  
Blake, Cassels & Graydon LLP

*Tony Courtright*

Director Power & Energy Infrastructure  
Scotia Capital Equity Research

*Peter Chant*

Partner  
Deloitte Touche LLP

*Trudy Curran*

General Counsel and Corporate Secretary  
Canadian Oil Sands Limited  
Director, Canadian Association  
of Income Funds

*Valerie Cusano*

President  
Iridium Risk Services Inc.

*Richard Cutfield*

President  
Benfield Corporate Risk Canada Ltd.

*Mark R. Gillen*

Professor  
Faculty of Law  
University of Victoria

*Lloyd Heine*

Tax Partner  
KPMG LLP

*William K. Jenkins*

Partner  
Fraser Milner Casgrain LLP

*George Kesteven*

Manager, Investor Relations  
PrimeWest Energy Trust  
President, Canadian Association  
of Income Funds

*Hume Kyle*

Vice President, Finance and  
Chief Financial Officer  
Fort Chicago Energy Partners  
Vice President, Chair Distributable,  
Cash Committee, Canadian Association  
of Income Funds

*David R. J. Lefebvre*

Partner  
Stikeman Elliott LLP

*Dirk Lever*

Managing Director Global Equity Research  
Chief Income Trust Strategist  
RBC Capital Markets

*Bruce McDonald*

Senior Vice President, Royalty Trust Analyst  
Canaccord Capital Corporation

*Sandy McIntyre*

Vice President and Senior Portfolio Manager  
Sentry Select Capital Corporation

*Rossa O'Reilly*

Managing Director, Institutional Equity Research  
CIBC World Markets

*F. Brent Perry, Q.C.*

Partner  
Felesky, Flynn LLP

*Stephen N. Pincus*

Partner and Chair, Income Funds Group  
Goodmans LLP  
Chair, Governance Committee,  
Canadian Association of Income Funds

*Wanda Rumball*

Partner  
Blake, Cassels & Graydon LLP

*Chad C. Schneider*

Partner  
Blake, Cassels & Graydon LLP

*Jordan S. Solway*

Regional Vice President, Claims & Legal  
Arch Insurance Company (Canadian Branch)

*Dave Stirling*

Underwriter, Chubb Specialty Insurance  
Chubb Insurance Company of Canada

*Representative*

Alberta  
Securities Commission

8:00 Registration Opens and Coffee Served ☞

8:45 Opening Remarks from the Co-Chairs

*Dallas L. Droppo, Q.C.*

Partner

Blake, Cassels & Graydon LLP

*D. James Watkinson, Q.C.*

Vice President, General Counsel and Secretary  
Pembina Pipeline Corporation

9:00 Where is the Income Trust Market Going and What are the Strategies for Success?

*David R. J. Lefebvre*

Partner

Stikeman Elliott LLP

*Dirk Lever*

Managing Director Global Equity Research  
Chief Income Trust Strategist  
RBC Capital Markets

- What are the prospects for continued growth for income trusts, REITs and royalty trusts?
- What are the expected areas of future growth?
- What factors will affect the market in a positive or negative way?
- Which businesses should be cautious?

9:45 Governance Challenges for Income Trusts: Understanding Board Obligation, Unit Holder Protections, Transparency and Management Compensation

**Moderator**

*Stephen N. Pincus*

Partner and Chair, Income Funds Group, Goodmans LLP  
Chair, Governance Committee, CAIF

**Panelists:**

*Trudy Curran*

General Counsel and Corporate Secretary  
Canadian Oil Sands Limited  
Director, CAIF

*Mark R. Gillen*

Professor  
Faculty of Law  
University of Victoria

*Jordan S. Solway*

Regional Vice President, Claims & Legal  
Arch Insurance Company (Canadian Branch)

*Valerie Cusano*

President  
Iridium Risk Services Inc.

- Examining the trustee's legal obligations
- How do a trustee's fiduciary duties differ from those of a director?
- Assessing trustee risk in the distribution of cash
- Effectively balancing the potentially competing interests of unit holders, management and the trustee
- Best practices when there is a sponsored conversion
- Best practices in dealing with management compensation and long-term incentive plans
- Identifying the risks in utilizing compensation, benefit, short term and long term incentive programs
- Tips and traps in monitoring the audit and disclosure of compensation arrangements
- Distinguishing the rights and remedies of shareholders rights from those of unit holders
- Ensuring trust compliance with:
  - U.S. Securities regulation
  - Canadian Securities regulation
  - Sarbanes-Oxley
- Overcoming the challenges when there is an operating company underneath a trust:
  - the commonality of directors and trustees
  - avoiding conflicts of interests
- Does the structure of income trusts prejudice good governance?
- Analyzing possible legislative reforms

11:00 **Networking Refreshment Break**

11:15 Examining the Hot Button Issues of Trust Fund Taxation: Non-Resident Ownership, Provincial Corporate Tax Leakage and Payout Ratios

*John A. Brussa*

Partner

Burnet, Duckworth & Palmer LLP

*George Kesteven*

Manager Investor Relations  
PrimeWest Energy Trust  
President, CAIF

*Lloyd Heine*

Tax Partner  
KPMG LLP

- Understanding the current federal scheme of the taxation of income trusts
- Harmonization of provincial taxation: Which provinces are in and which are out?
- What will provincial governments do to prevent corporate tax dollars from leaving the jurisdiction of the income fund or trust?
- Ensuring that payout ratios are sufficient to avoid negative tax implications
- Examining the practice of unit issuances to satisfy the payout criteria
- Understanding the section 132 (Income Tax Act) test and the non-Canadian taxable property exception
- For the purposes of s132 how has "all or substantially all property other than taxable Canadian property" been interpreted?
- Best practices in monitoring:
  - the level of non-resident ownership
  - the type of property the trust owns
- Examining recent amendments to the Income Tax Act that alter the time frame as to when the test has to be met
- Non-resident ownership requirements and retroactive tax implications

12:45 Luncheon for Delegates and Speakers 

2:00 **Income Fund Sector Updates:  
Power Roundtable**

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*Bruce McDonald*

Senior Vice President, Royalty Trust Analyst  
Canaccord Capital Corporation

*Dirk Lever*

Managing Director Global Equity Research  
Chief Income Trust Strategist  
RBC Capital Markets

*Tony Courtright*

Director Power & Energy Infrastructure  
Scotia Capital Equity Research

*Rossa O'Reilly*

Managing Director, Institutional Equity Research  
CIBC World Markets

- Oil and Gas Funds
- Power and Utility Funds
- Real Estate Investment Trusts
  - Commercial and Industrial
  - Hospitality
  - Residential
- Specialty Business funds
  - Manufacturing
  - Mining
  - Retailing Consumer Products and Services
  - Transportation and Infrastructure
  - Restaurant Royalty

3:00 Networking Refreshment Break

3:15 **What You Need to Know About Risk  
Management and Insurance Solutions  
in the Income Trust Structure**

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*Dave Stirling*

Underwriter, Chubb Specialty Insurance  
Chubb Insurance Company of Canada

*Richard Cutfield*

President  
Benfield Corporate Risk Canada Ltd.

- What are the risks of liability to unit holders, trustees, and trust management in the various types of income trusts?
- Assessing the risk of the one policy solution
- Best practices in mitigating risk on the part of trust management
- Examining the types of insurance solutions available to limit exposure in the income trust structure

4:15 **Income Trust Investment: Understanding  
the Key Considerations for Institutional  
and Non-Institutional Investors**

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*Sandy McIntyre*

Vice President and Senior Portfolio Manager  
Sentry Select Capital Corporation

- What are the criteria for valuing income trusts in today's markets?
- What drives the valuations higher?
- Payout ratios and valuation
- Investors views on leverage
- How do credit issues impact the IPO?
- What are the exit strategies?
- What are the differing risk profiles amongst industries?
- What are the drivers to bring the institutional investors to the market?
- Why is liquidity so important?
- Is yield more important than cash flow?
- What are the valuation drivers?
- What are the crucial risk factors?
- Will pension funds continue to enjoy an unfettered right to continue income fund investment?

5:00 Co-Chairs' Closing Remarks  
Conference Adjourns

Cocktail Reception



Friday December 1, 2006

8:00 Coffee Served ☞

8:30 **Opening Remarks From the Co-Chairs**

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*Dallas L. Droppo, Q.C.*

Partner  
Blake, Cassels & Graydon LLP

*D. James Watkinson, Q.C.*

Vice President, General Counsel and Secretary  
Pembina Pipeline Corporation

8:45 **Demystifying Trust Mergers &  
Acquisitions: Ensuring You've Structured  
the Right Deal the Right Way**

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*F. Brent Perry, Q.C.*

Partner  
Felesky, Flynn LLP

*Chad C. Schneider*

Partner  
Blake, Cassels & Graydon LLP

- What are unique considerations that arise from the income trust M&As?
- Coping with shareholder activism and institutional shareholder involvement in M&A transactions
- Ensuring that adequate fairness opinions are procured
- Best practices in the use of SpinCos
- Assessing the practice of using plans of arrangement
- Ensuring you are compliant with applicable U.S. securities' exemptions
- Issues arising from unique structures such as IDS
- Where are the consolidation opportunities in today's market?
- Best practices in getting your merger before the court

- Examining the requirements for M&As under section 132 (2) 132 (7) and 132-2 of the Tax Act
- Best practices in dealing with hostile M&As
- What are the key tax considerations when there is an income fund takeover and/or merger?
- What tax issues are peculiar to a hostile takeover of a corporation by a fund, or by one fund or another fund?

**9:45** Examining the Latest Conversion Trends: Identifying Business and Structural Alternatives

*William K. Jenkins*  
Partner  
Fraser Milner Casgrain LLP

- Determining the conditions that make a business or business segment suitable for conversion to a business trust or royalty trust?
- Understanding alternative deal structures for the conversion
- What are the principal tax considerations?
- Conversions and consolidations in the energy sector: Structuring the "Exploreco" vehicle
- Examining the role of exchangeable shares
- Case studies of recent transactions
  - Penn West/Petrofund
- Business trust carve-out case studies:
  - The BCE and Aliant conversion
  - CI Financial

**10:45** **Networking Refreshment Break**

**11:00** Distributable Cash: What Every Investor Needs to Know

*Hume D. Kyle*  
Vice President, Finance and Chief Financial Officer,  
Fort Chicago Energy Partners  
Vice-President, Chair Distributable Cash Committee,  
CAIF

*Peter Chant*  
Partner  
Deloitte Touche LLP

*Representative*  
Alberta Securities Commission

- What is distributable cash?
- Is distributable cash and other related measures relevant valuation measures?
- What are the current practices and issues?
- Can existing issues be addressed?
- What are the recommended best practices?
- Where does CAIF, the regulators and the CICA stand?

**12:00** Overcoming the Challenges When an Income Trust is in Trouble

*Robert Anderson*  
Partner  
Blake, Cassels & Graydon LLP

- Assessing the unique risks inherent in the income trust structure
- Best practices when an income trust experiences a cash flow shortfall

- Under what circumstances can a trustee resign?
- When an income trust is encountering financial difficulties what options and strategies are available?
- Understanding the governance and conflict of interest issues when there is an income fund in financial trouble
- Case Study: The Calpine Power Income Fund
- Reconciling Income trusts with insolvency legislation

**1:00** **Co-Chair's Closing Remarks  
Conference Concludes**

**Post Conference Workshop**  
**Converting to an Income Trust Fund: Understanding the Key Considerations and Strategies**  
December 1, 2006  
2:00 p.m. - 5:00 p.m. (*Registration Opens 1:30 p.m.*)

*Scott W.N. Clarke*  
Partner, Blake, Cassels & Graydon LLP

*Wanda Rumball*  
Partner, Blake, Cassels & Graydon LLP

- Will an Income or Royalty Trust suit your business objectives?
- What key issues must be addressed prior to conversion?
- What are the tax issues impacting the corporation and its shareholders as a result of the conversion?
- Are trusts sustainable given possible future tax reform?
- Understanding the challenges of raising capital in the Income Trust market and setting appropriate strategies for growth
- How will a conversion impact on:
  - directors when moving from a single tier to a multi-layered governance structure?
  - the rights of shareholders
  - management's ability to operate the business in harmony with unit holder objectives

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**WHO SHOULD ATTEND**

- Income Trust Trustees, Board Members and Management
- Corporate and Commercial Lawyers
- Investment Bankers
- Bank and Loan Company Executives
- Insurance Company Executives
- Accountants
- Financial Consultants and Advisors
- Corporate Treasurers
- Chief Financial Officers
- Investor Relations

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Top Reasons to Attend

- ✓ Bench mark your governance and distribution strategies with other Income Trusts
- ✓ Understand the complexities of trust fund taxation
- ✓ Learn the latest conversion and performance trends
- ✓ Discover how to overcome the challenges of Trust mergers and trust distress
- ✓ Network with the most influential players in the Income Fund market

5 Easy Ways to Register

- MAIL The Canadian Institute  
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