

EXPERTISE AND EFFECTIVE COMMUNICATIONS TRIUMPH OVER A FORMIDABLE DISSIDENT

> TREE ISLAND WIRE INCOME FUND

CASE STUDY

In November 2007, Futura Corporation - Tree Island's largest unitholder - unilaterally called for a special meeting of unitholders demanding the removal of five of Tree Island's eight existing trustees.

"A comprehensive shareholder communication strategy is critical in a proxy fight.

Georgeson provided us with expert advice and counsel on how to navigate the process and reach out to our unitholders.

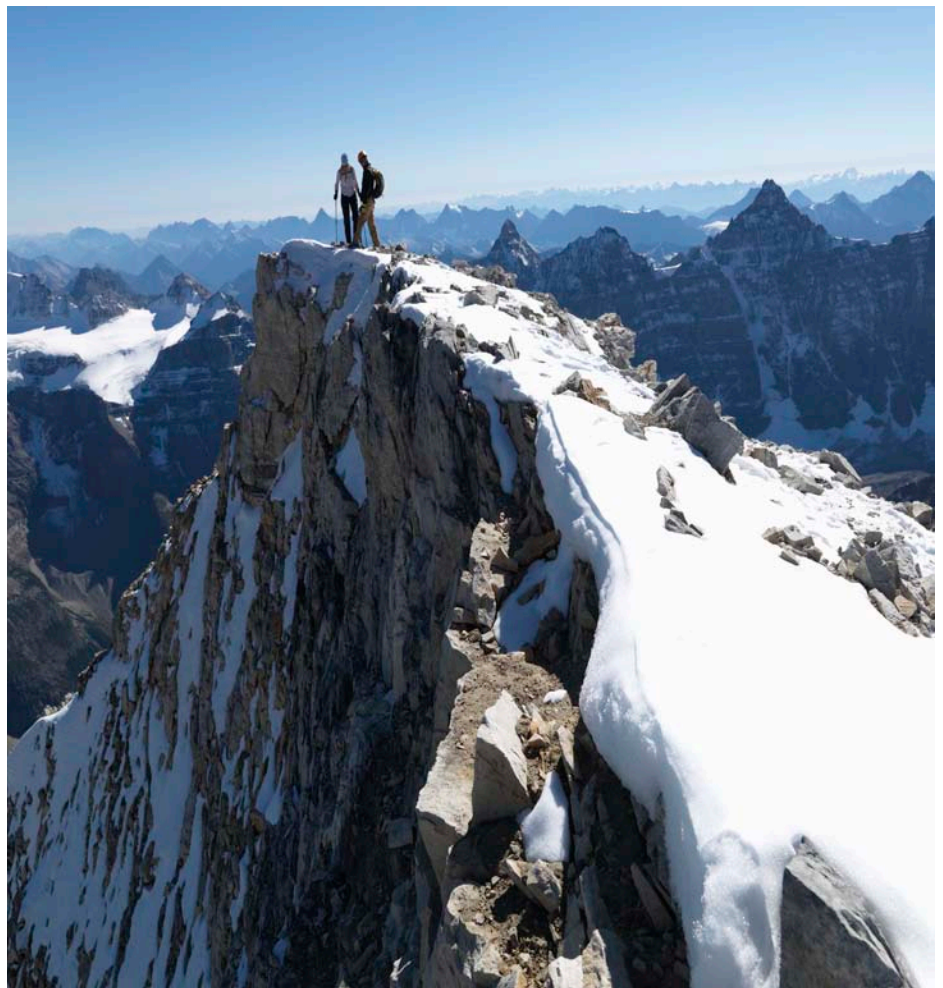
In addition to guiding us through the technical elements, Georgeson also worked very closely with our other advisors in developing the winning strategy.

Georgeson's expertise in proxy fights was quickly evident and gave us comfort that they could manage the relationship with our 7,000 retail investors.

Given the uphill battle we were facing with dissidents controlling 20% of our units, we are extremely proud that 65% of all of our investors supported the board and management and our plans to deliver value to unitholders.

Georgeson was a key contributor to that success and I would not hesitate to recommend them to other CEOs facing their own proxy issues."

Dan M^cAtee, CEO,
Tree Island Wire Income Fund



Georgeson

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FACTS

Tree Island began its proxy fight defense at a disadvantage as Futura owned nearly 4.3 million or 20% of Tree Island's 21.9 million shares. In addition, the remaining units were held by a diverse mix of unitholders that consisted of more than 7,000 retail investors with only a few institutional unitholders.

Given the challenges associated in reaching out to such a broad-based group of shareholders, Tree Island quickly realized it needed shareholder communication expertise in managing the project.

COMPANY BACKGROUND

TSX-listed Tree Island Wire Income Fund ("Tree Island") owns Tree Island Industries Ltd., one of North America's largest producers of nails and other wire products for construction, agricultural, manufacturing and industrial applications.

CRITICAL ACTION

Tree Island - which had previously utilized Georgeson's services during the past two years - retained Georgeson to develop and implement a strategic plan to meet Futura's proxy challenge. Georgeson quickly developed a comprehensive, multi-faceted plan of:

- ▶ Articulating management's position in an effective question & answer document for Georgeson's investor contact centre that clearly and persuasively explained why unitholders should reject Futura's challenge
- ▶ Researching Tree Island's entire unitholder base and planning an appropriate strategy to contact its 7,000 unitholders
- ▶ Implementing the unitholder communication plan quickly and efficiently

Based on Georgeson's experience, Tree Island recognized the importance of executing a comprehensive solicitation plan, given that only 10% - 15% of retail investors typically vote their units during a special or annual general meeting.

STRATEGIC FOCUS ON THE RETAIL UNITHOLDER BASE

Since there were few large institutional investors and substantial retail ownership, Georgeson relied on its large and experienced investor contact centre to communicate with all unitholders and explain why they should reject Futura's proxy challenge and support Tree Island's current slate of trustees.

To combat the traditional low voter turnout of retail investors, Georgeson assisted management with the development of an easy-to-use website that made it simple for unitholders to vote their proxies online and stay informed about the latest developments surrounding the proxy contest.

OPEN AND INFORMED COMMUNICATION WITH TREE ISLAND MANAGEMENT AND ITS ADVISORS

Throughout the proxy fight, Georgeson worked closely with Tree Island management, the special committee of the Board and its entire group of advisors. Georgeson's expertise was utilized by the Tree Island team to develop strategy, adjust to developments by the dissidents and ensure the right messaging was developed and disseminated to all unitholders. Georgeson's ability to anticipate developments and offer practical solutions provided a sense of comfort and control to the Tree Island team throughout the proxy campaign.

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RESULTS

During the special meeting of unitholders held in Vancouver on March 4, 2008, unitholders overwhelmingly supported Tree Island management and the existing Board of Trustees.

- **65% of unitholders voted to retain the existing slate of trustees**
- **Of the units not held by Futura, a landslide 89% voted in favour of retaining existing trustees and management**
- **75% of the overall unitholder base voted**

The resounding show of support for management was especially impressive given that Tree Island had to overcome Futura's large ownership stake which gave the dissidents an initial 20% voting advantage.

Georgeson drew upon its comprehensive resources and its previous experience with Tree Island to develop a thorough understanding of the unitholder base. Utilizing its expertise in communicating with unitholders, Georgeson prepared and implemented an effective, highly targeted, strategic campaign to a large and diverse unitholder base.

SUSTAINED COMMUNICATIONS WITH TREE ISLAND'S RETAIL UNITHOLDER BASE

Georgeson's extensive in-house resources enabled it to implement a comprehensive communication campaign that involved multiple rounds of phone calls and mailings to all 7,000 retail unitholders.

The Georgeson investor contact centre called unitholders at appropriate times to accommodate relevant time zones. Calls were placed in a courteous, professional and sensitive manner recognizing that holders had been receiving other calls on behalf of Futura and the dissidents. Georgeson's investor contact centre staff quickly responded to current issues and modified messages as required. The ability to build on developments as they occurred maximized unitholder support for management.

Georgeson also:

- assisted with the preparation of an ad campaign that utilized mass media to quickly and effectively reach a large number of unitholders
- sent out a series of strategic news releases to complement and extend the effectiveness of the ad campaign

GEORGESON LEVERAGED RISKMETRICS' (FORMERLY ISS) SUPPORT FOR MANAGEMENT

RiskMetrics is a highly influential, independent proxy advisory service that reviews proxy circulars for corporate governance issues and provides voting recommendations to a blue ribbon list of institutional investor clients.

Georgeson recognized the tremendous impact that a favourable RiskMetrics recommendation would have on voter sentiment and most importantly, how it could be leveraged to build support for Tree Island management. Consequently, Georgeson facilitated meetings between RiskMetrics and Tree Island that ultimately contributed to their support of management's agenda and the incumbent trustees.

THERE'S VALUE IN ESTABLISHING AN ONGOING RELATIONSHIP WITH YOUR PROXY SOLICITOR

Georgeson was able to hit the ground running as it had been retained by Tree Island for previous initiatives. It understood Tree Island's unitholder base and had built excellent relationships with Tree Island management. As a result, Georgeson was able to quickly develop a successful counter to Futura's proxy challenge.

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ABOUT GEORGESON

Georgeson Inc. is the world's leading provider of strategic proxy and corporate governance advisory services to corporations and shareholder groups working to influence corporate strategy. For over half a century, Georgeson has specialized in complex solicitations such as hostile and friendly acquisitions, proxy contests and takeover defenses.

In 2008, Georgeson was the No. 1 proxy solicitor for M&A transactions worldwide. The firm also provides issuers with expertise in corporate events solutions such as post-merger unexchanged holder programs and information agent services.

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