



**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 15, 2009**

February 10, 2010

FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual information form constitute forward-looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this annual information form should not be unduly relied upon. These statements speak only as of the date of this annual information form.

In particular, this annual information form may contain forward-looking statements pertaining to distributions on the Class A Preferred Shares. The actual results could differ materially from those anticipated in these forward-looking statements. Big 8 Split Inc. does not undertake any obligation to publicly update or revise any forward-looking statements.

BIG 8 SPLIT INC.
ANNUAL INFORMATION FORM

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BIG 8 SPLIT INC.

Big 8 Split Inc. (the “Company”), incorporated under the laws of the Province of Ontario on June 26, 2003, is a closed-end investment fund corporation whose principal business is to invest in a portfolio of publicly listed common shares (the “Portfolio Shares”) of Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada and The Toronto-Dominion Bank, Great-West Lifeco Inc., Manulife Financial Corporation and Sun Life Financial Inc. (collectively the “Financial Institutions”). The Company has its registered offices at 222 Bay Street, 7th Floor, Ernst & Young Tower, Toronto, Ontario, M5K 1A2.

On September 3, 2003, the Company raised net proceeds of \$205,340,120 through the one-time issuance of 4,500,000 Class A Preferred Shares (“Old Preferred Shares”) and 4,500,000 Class A Capital Shares (“Capital Shares”). From August 18 to August 27, 2003 the Company purchased the Portfolio Shares pursuant to a securities purchase agreement with TD Securities Inc. (“TDSI”). The net proceeds of the initial public offering were used to fund the purchase of Portfolio Shares.

On November 21, 2008 holders of Capital Shares approved a share capital reorganization allowing holders of Capital Shares, at their option, to retain their investment in the Company after the scheduled redemption date of December 15, 2008. The reorganization allowed holders of Capital Shares to extend their investment in the Company beyond the final redemption date of December 15, 2008 for up to an additional 5 years, to December 15, 2013. As part of the reorganization, holders of Capital Shares were provided a special retraction right enabling holders of Capital Shares who do not wish to extend their investment to have their shares redeemed on December 15, 2008. The Old Preferred Shares were redeemed by the Company for a total consideration of \$30,124,500 and were de-listed from the Toronto Stock Exchange as at the close of trading December 15, 2008. In order to maintain the leveraged “split share” structure of the Company, on December 15, 2008 the Company completed a public offering of 1,204,980 Class B Preferred Shares at \$12.00 per share for a total value of \$14,459,760. The Class B Preferred Shares were offered to the public by a syndicate of agents led by TDSI.

On December 15, 2009, as part of a transaction to re-leverage the structure of the Company, the Company paid a Share Dividend of 0.6 Capital Shares (“Capital Share Dividend”) to each Capital Share that was outstanding, after accounting for the Special Annual Retraction (the “Re-leveraging”). The Capital Share Dividend resulted in an additional 640,203 Capital Shares being issued to Capital Shareholders. In addition, through a public offering, the Company subsequently issued 1,165,203 new Class C Preferred Shares at \$12.00 per Class C Preferred Share and an additional 525,000 Capital shares at \$20.00 per Capital Share netting proceeds of \$23,082,889 which were used to acquire additional Portfolio Shares in the same ratio of holdings prior to acquisition. The issue of Class C Preferred Shares and Capital Shares, along with the Capital Share Dividend ensured that total Class B Preferred Shares and Class C Preferred Shares (“Preferred Shares”) outstanding equaled the total Capital Shares outstanding.

DESCRIPTION OF BUSINESS ACTIVITIES

The Company holds the Portfolio Shares in order to generate fixed cumulative preferential dividends (the “Preferred Share Dividend Amount”) for the holders of the Company’s Preferred Shares while providing the holders of the Capital Shares with a leveraged investment, the value of which is linked to the changes in the market price of the Portfolio Shares. Holders of the Capital Shares will also receive, subject to the prior rights of Preferred Shareholders, excess dividends, if any after payment of the operating and administrative expenses of the Company and dividends on the Preferred Shares. The Company only trades the Portfolio Shares in limited circumstances as described in the Company’s original prospectus. As such, the Portfolio Shares are not actively traded and the Company can be considered a passive investment vehicle.

Portfolio Share Holdings

As at December 15, 2009, the Company owned common shares in the numbers indicated below for the average cost per share indicated:

Portfolio Holdings as at December 15, 2009

	<u>Number of Common Shares</u>	<u>Average Cost Per Share</u>	<u>Market Price Per Share</u>
Bank of Montreal	181,677	\$47.81	\$53.83
The Bank of Nova Scotia	187,256	\$36.76	\$48.35
Canadian Imperial Bank of Commerce	125,035	\$59.97	\$68.67
Royal Bank of Canada	172,780	\$38.78	\$54.82
The Toronto-Dominion Bank	147,396	\$48.04	\$65.18
Great-West Lifeco Inc.	293,782	\$22.57	\$26.19
Manulife Financial Corporation	306,526	\$20.29	\$18.75
Sun Life Financial Inc.	242,465	\$30.43	\$29.62

The Company's Portfolio Shares are held by RBC Dexia Investor Services Trust as custodian pursuant to a custodian agreement (the "Custodian Agreement") dated as of August 28, 2003.

The Company may engage in securities lending transactions in order to generate additional returns provided the prior approval of all of the independent directors of the Company has been obtained. Under such transactions the Company may in appropriate circumstances lend Portfolio Shares to securities borrowers acceptable to the Company pursuant to the terms of a securities lending arrangement, under which (i) the borrower will pay to the Company a negotiated securities lending fee and will make compensation payments to the Company equal to any dividends received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Company will receive collateral security. The Custodian, as securities lending agent for the Company, will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis. All securities lending arrangements will comply with the provisions of National Instrument 81-102 — Mutual Funds. No securities lending activities have been undertaken by the Company to date.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of Preferred Shares, an unlimited number of Capital Shares, an unlimited number of Class B, Class C and Class D preferred shares issuable in series, an unlimited number of Class B, Class C and Class D capital shares, issuable in series, and an unlimited number of Class E voting shares. The classes of preferred shares other than the Preferred Shares and the classes of capital shares other than the Capital Shares are collectively referred to as the "subsequent classes". If shares of the subsequent classes are issued, the holders of any such shares will have no rights in respect of the Portfolio Shares.

The Preferred Shares rank prior to the Capital Shares and Class E Shares with respect to the payment of dividends, distributions upon a redemption, retraction or return of capital and distributions upon a dissolution, liquidation or winding-up of the Company.

Unit Value

A "Unit" consists of one Preferred Share and one Capital Share.

"Unit Value" is defined as:

- (a) the amount received by the Company per Unit on the disposition of that number of Portfolio Shares represented by the Unit's pro rata share of each of the Portfolio Shares; or

- (b) in the event that the Administrator (as defined below) determines that it is not practicable to sell Portfolio Shares (for example, where a relatively small number of shares are tendered for cash retraction), the Company may fund such retractions in whole or in part out of cash on hand. Unit Value in this case will be calculated using, and paid on the basis of, the average price realized on any Portfolio Shares sold and where no shares of a particular issuer included in the Portfolio are sold, by reference to the closing prices for Portfolio Shares on the TSX on the trading day immediately preceding the relevant Valuation Date (as defined below); or, if no trading in a Portfolio Share occurred on such day on the TSX, the closing price for such Portfolio Share on such other exchange or market as the Administrator may select on such day; or, if no closing price is available from any exchange or market for a Portfolio Share, the average of the bid and ask prices for such share at close of trading on the TSX on such day;

less, in either case, brokerage fees, commissions and all other transaction costs relating to such sale plus (minus) the pro rata share of the amount (the “Residual Amount”) by which the value of the other assets of the Company exceed (are less than) the liabilities (including any extraordinary liabilities) of the Company as at the relevant Valuation Date and the redemption value of the Class E Shares, all as determined by the Board of Directors of the Company. For greater certainty, the Preferred Shares will not be treated as liabilities for these purposes.

If, on the Redemption Date, the Company is entitled to a refund of refundable taxes but such refund is not immediately available, the Company will either defer payment in cash of a portion of the redemption price until the refund is received by the Company or take steps to monetize or otherwise convert the refund into cash. In any event, for purposes of calculating the Residual Amount for redemptions on the Redemption Date, any refundable taxes not then available to the Company will be treated as an asset equal to the realizable value thereof as determined by the Board of Directors.

Any net capital or non-capital losses available to the Company which have no value on the Redemption Date will not be treated as an asset either on or subsequent to the Redemption Date in the calculation of Unit Value.

If it is not possible to sell Portfolio Shares due to the cessation or suspension of trading of one or more of the Portfolio Shares on the stock exchanges or markets on which such Portfolio Shares are normally traded, the Company will sell those Portfolio Shares which can then be lawfully sold and the applicable portion of the proceeds from such sale will be paid on the Retraction Payment Date and the remaining Portfolio Shares required to be sold to fund the cash retraction of the relevant shares will be sold by the Company as soon as possible following the resumption of trading of such Portfolio Shares and the applicable portion of the proceeds therefrom paid within five business days following such sale.

Unit Value is calculated once each week and posted by the next business day on the Company’s website at www.tdsponsoredcompanies.com. The Unit Value information will be provided to holders of the Preferred Shares and the Capital Shares on request by calling the Administrator at (416) 982-2865.

Capital Shares

Holders of Capital Shares are entitled to receive any dividends that the Board of Directors of the Company (the “Board”) may declare subject to the prior rights of the holders of the Preferred Shares. In the event that the dividends paid on the Portfolio Shares held by the Company exceed the Preferred Share Dividend Amount and all expenses of the Company, the excess amount will be reinvested in Portfolio Shares or paid as dividends, subject to the prior rights of Preferred Shareholders on the Capital Shares, as determined by the Board of Directors of the Company. In addition, if the Company realized capital gains, and would be liable to pay tax thereon, the Company may declare a capital gains dividend on the Capital Shares.

Any Capital Shares outstanding on December 15, 2013 (the “Redemption Date”) will be redeemed by the Company on such date. On such redemption, each holder will receive for each Capital Share redeemed at the holder’s option, either:

- (a) the amount, if any, by which the Unit Value exceeds \$12.00; or

- (b) provided the holder tenders to the Company at least 20 business days prior to the Redemption Date a cash amount of \$12.00 for each Capital Share redeemed, such holder's pro rata share of the Portfolio Shares plus (minus) the amount by which the value of the other assets of the Company exceed (are less than) the liabilities (including any extraordinary liabilities) of the Company as at the Redemption Date and the redemption value of the Class E Shares, all as determined by the Board of Directors of the Company. For greater certainty, the Preferred Shares will not be treated as liabilities for these purposes.

The Capital Shares may be surrendered for retraction at any time by the holders. Holders may surrender their Capital Shares for retraction by exercising a Regular Retraction, a Concurrent Retraction or a Special Annual Retraction, all as described below. Retraction payments for Capital Shares will be made on the 15th day of each month or, where such day is not a business day, on the preceding business day (a "Retraction Payment Date") provided the Capital Shares have been surrendered for retraction at least ten business days prior to such date (the "Valuation Date").

Regular Retraction

A holder who surrenders Capital Shares under a regular retraction (a "Regular Retraction") will receive for each Capital Share retracted on the Retraction Payment Date the amount, if any, by which 95% of the Unit Value exceeds the aggregate of (i) the average cost to the Company, including commissions, of purchasing a Preferred Share in the market and (ii) \$1.00.

Concurrent Retraction

A holder who surrenders for retraction one Capital Share concurrently with one Preferred Share (a "Concurrent Retraction") will receive on the Retraction Payment Date an amount equal to 95% of the Unit Value less \$1.00.

Special Annual Retraction

A holder of Capital Shares who surrenders Capital Shares for the Retraction Payment Date occurring on December 15 in each year (a "Special Annual Retraction") or, where such day is not a business day, the preceding business day (each such date being an "Annual Retraction Payment Date") will receive on the applicable Annual Retraction Payment Date the amount, if any, by which the Unit Value exceeds \$12.00.

A holder who surrenders one Capital Share together with one Preferred Share under a Special Annual Retraction will receive on the applicable Annual Retraction Payment Date an amount equal to the Unit Value.

Provided a holder of Capital Shares surrenders 10,000 or more Capital Shares for retraction and tenders either one Preferred Share for each Capital Share retracted or a cash amount equal to \$12.00 for each Capital Share retracted, such holder may elect to receive his or her pro rata share of the Portfolio Shares plus (minus) the pro rata share of the amount by which the value of the other assets of the Company exceeds (is less than) the liabilities (including any extraordinary liabilities) of the Company as at the relevant Valuation Date and the redemption of the Class E Shares less a delivery charge of \$0.05 for each Capital Share retracted payable to the Administrator, all as determined by the Board. For greater certainty, the Preferred Shares will not be treated as liabilities for these purposes.

If any Capital Shares are surrendered for retraction (other than in the event of a Concurrent Retraction or Special Annual Retraction where Preferred Shares are surrendered to the Company), the Company will redeem or purchase for cancellation that number of Preferred Shares equal to the number of Capital Shares so retracted. The Company will sell Portfolio Shares owned by the Company to the extent required to fund such redemptions or purchases and to pay the retraction price for the Capital Shares so retracted.

It should be noted that all the above transactions constitute a taxable disposition of the Company's Capital Shares by the shareholders at the time of the retraction whether the retraction is received in the form of cash or Portfolio Shares.

Except as required by law, holders of Capital Shares will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company other than meetings of the holders of Capital Shares. Holders of Capital Shares will not be entitled to vote any of the Portfolio Shares held by the Company.

In addition, the articles of the Company provide that the Company shall not, without the prior approval of the holders of Capital Shares, (i) amend the rights, privileges, restrictions and conditions attaching to the Capital Shares; (ii) amend the provisions in the articles of the Company relating to the restrictions on the business that the Company may carry on; (iii) issue any Capital Shares (other than in respect of capital gains dividends) or Preferred Shares following the closing of the initial public offerings of Preferred Shares and Capital Shares; (iv) sell any Portfolio Shares otherwise than (A) to fund the retraction or redemption of any Preferred Shares or Capital Shares or a portion of the Preferred Share Dividend Amount; (B) upon receipt of stock dividends; (C) in the event of a take-over bid for any of the Portfolio Shares; or (D) to fund liabilities; (v) change (other than a change permitted by applicable law without the consent of securityholders of a mutual fund) any contract or enter into any contract as a result of which the basis for calculating the fees or other expenses that are charged to the Company could result in an increase in charges to the Company; or (vi) wind-up or dissolve voluntarily.

Approval of amendments to the provisions of the Capital Shares may be given by a special resolution carried by an affirmative vote of not less than two-thirds of the votes cast at a meeting of the holders of Capital Shares duly called and held for such purpose at which the holders of 10% of the outstanding Capital Shares are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Capital Shares then present would form the quorum.

Preferred Shares

Holders of the Class B Preferred Shares are entitled to receive quarterly fixed cumulative preferential distributions equal to \$0.2100 per Preferred Share and holders of the Class C Preferred Shares are entitled to receive quarterly fixed cumulative preferential distributions equal to \$0.1725 (together the “Preferred Dividends”). Quarterly Preferred Dividends on the Preferred Shares are expected to be paid by the Company on or before the 15th day of March, June, September and December in each year.

Preferred Dividends will be funded primarily from the dividends received on the Portfolio Shares and, if necessary, with proceeds from the sale of the Portfolio Shares. Any portion of the Preferred Dividends which are derived from the proceeds of the sale of Portfolio Shares will consist of a non-taxable return of capital or a combination of a capital gains dividend and a non-taxable return of capital.

The Company will redeem any Preferred Shares outstanding on the Redemption Date, at a price per share equal to the lesser of \$12.00 and the Unit Value.

Preferred Shares may be surrendered for retraction at any time. Retraction payments will be made on the Retraction Payment Date in a month unless the Preferred Shares are retracted after the relevant Valuation Date. A holder who surrenders a Preferred Share for retraction will receive on the Retraction Payment Date the amount, if any, by which 95% of the Unit Value exceeds the aggregate of (i) average cost to the Company, including commissions, of purchasing a Capital Share in the market and (ii) \$1.00. In addition, the Company may redeem Preferred Shares on any Annual Retraction Payment Date for \$12.00 per share. The Company will only redeem Preferred Shares to the extent that unmatched Capital Shares have been tendered for retraction under the Special Annual Retraction. Where less than all the Preferred Shares are to be so redeemed, the Preferred Shares shall be redeemed *pro rata* or in such other manner as is approved by the Board.

It should be noted that all the above transactions constitute a taxable disposition of the Company's Preferred Shares by the shareholders at the time of the retraction whether the retraction is received in the form of cash or Portfolio Shares. Except as required by law, holders of Preferred Shares will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company. Holders of Preferred Shares will not be entitled to vote any of the Portfolio Shares held by the Company.

In addition, the articles of the Company provide that the Company shall not, without the prior approval of the holders of Preferred Shares, (i) amend the rights, privileges, restrictions and conditions attaching to the Preferred Shares; (ii) amend the provisions in the articles of the Company relating to the restrictions on the business that the Company may carry on; (iii) issue any Preferred Shares (other than in respect of capital gains

dividends) or Capital Shares following the closing of the initial public offerings of Preferred Shares and Capital Shares; (iv) sell any Portfolio Shares otherwise than (A) to fund the retraction or redemption of any Preferred Shares or Capital Shares or a portion of the Preferred Share Dividend Amount; (B) upon receipt of stock dividends; (C) in the event of a take-over bid for any of the Portfolio Shares; or (D) to fund liabilities; (v) change (other than a change permitted by applicable law without the consent of security holders of a mutual fund) any contract or enter into any contract as a result of which the basis for calculating the fees or other expenses that are charged to the Company could result in an increase in charges to the Company; or (vi) wind-up or dissolve voluntarily.

Approval of amendments to the provisions of the Preferred Shares may be given by a special resolution carried by an affirmative vote of not less than two-thirds of the votes cast at a meeting of the holders of Preferred Shares duly called and held for such purpose at which the holders of 10% of the outstanding Preferred Shares are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Preferred Shares then present would form the quorum.

Prior to the redemption of December 15, 2008, holders of Old Preferred Shares were entitled to receive quarterly fixed cumulative dividends equal to \$0.28125 per Old Preferred Share. The final dividend for the Old Preferred Shares was paid on December 15, 2008.

Class E Shares

The holders of the Class E Shares are entitled to receive dividends, if, as and when declared by the Board. However, holders of Class E Shares are not entitled to receive any dividends on the Class E Shares at any time when there are any Preferred Shares or Capital Shares issued and outstanding unless approved by all the independent directors of the Company.

The Class E Shares of the Company are redeemable by the Company at any time for a redemption price of \$1.00 per share. The Class E Shares rank subsequent to both the Preferred Shares and the Capital Shares with respect to dividends and with respect to distributions paid upon a retraction, redemption or reduction of capital and distributions on the dissolution, liquidation or winding-up of the Company. Each Class E Share entitles the holder to participate in the distribution of the remaining net assets of the Company on a dissolution, liquidation or winding-up of the Company.

Holders of the Class E Shares are entitled to one vote per share. The Class E Shares of the Company are retractable at any time. For retractions occurring at a time when any Preferred Shares or Capital Shares are outstanding, the retraction price will be \$1.00 per share. For other retractions, the retraction price will be based on the net asset value of the Company.

A trust established for the benefit of the holders from time to time of the Preferred Shares and the Capital Shares owns all of the 100 issued and outstanding Class E Shares of the Company.

Book-Entry Only System

Registration of interests in and transfers of the Preferred Shares and Capital Shares will be made only through book-entry certificates administered by CDS. Preferred Shares and Capital Shares must be purchased, transferred and surrendered for retraction or redemption through a CDS Participant. All rights of an owner of Preferred Shares or Capital Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Preferred Shares or Capital Shares.

An owner of Preferred Shares or Capital Shares who desires to exercise retraction privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto), on behalf of the owner, a written notice (the "Retraction Notice") of the owner's intention to retract shares sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time. Any expenses associated with the preparation and delivery of a Retraction Notice shall be for the account of the owner exercising the retraction privilege. Where a beneficial owner of Capital Shares is required to tender cash to the Company in connection with a Special Annual Retraction or a redemption of Capital Shares, such cash must be tendered to CDS through the relevant CDS Participant.

By causing a CDS Participant to deliver a Retraction Notice to CDS, an owner shall be deemed to have irrevocably surrendered his or her shares for retraction and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of the retraction privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Retraction Notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the retraction privilege to which it relates shall be considered for all purposes not to have been exercised thereby. In the event of a determination that a Retraction Notice is incomplete, not in proper form or not duly executed, CDS shall promptly notify the CDS Participant which delivered the retraction notice. A failure by a CDS Participant to exercise retraction privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Company to the CDS Participant or the owner.

The Company has the option to terminate registration of the Preferred Shares and Capital Shares through book-entry certificates administered by CDS in which case certificates for Preferred Shares and Capital Shares in fully registered form will be issued to beneficial owners of such shares or their nominees.

COMPANY'S FINANCIAL CONDITION AND OPERATING RESULTS

A discussion of the Company's financial condition and operating results for the year ended December 15, 2009 may be found in the Company's 2009 Annual Report in the section entitled "Financial Performance" on page 1.

The Company's investment in Portfolio Shares is carried at market value. The market value is computed using the bid price on the TSX. Other assets and liabilities therein are recorded in accordance with Canadian generally accepted accounting principles including dividend income earned on the ex-dividend date and interest income and expenses recorded on an accrual basis.

RESPONSIBILITY FOR OPERATIONS

As of December 15, 2008, TD Sponsored Companies Inc. ("TDSCI"), a wholly-owned subsidiary of TDSI, assumed the role of Administrator of the Company and administers the ongoing operations pursuant to the Administration Agreement dated December 15, 2008. The Administrator's address is located at 222 Bay Street, 7th Floor, Ernst & Young Tower, Toronto, Ontario M5K 1A2, telephone number (416) 982-2865 and website www.tdsponsoredcompanies.com. Under this agreement the Administrator is responsible for most day-to-day operations of the Company including accounting services, weekly net asset valuations, payment of dividends to holders of Preferred and Capital Shares and attending to the retraction or redemption of the Preferred and Capital Shares in accordance with their terms. The Administration Agreement has a term expiring upon the redemption or retraction of all the Preferred and Capital Shares of the Company.

As consideration for the services provided by the Administrator, the the Company pays the Administrator a monthly fee of $\frac{1}{12}$ of 0.25% of the market value of the Portfolio Shares.

DIRECTORS AND OFFICERS

The following are the directors and officers of the Company:

Name and Municipality Of Residence	Office(s) Held	Principal Occupation	Director Since	Shares Held*	% of Shares
Cameron Goodnough Toronto, Ontario	President, Chief Executive Officer and Director	Managing Director, TD Securities Inc.	2006	—	—
Malcolm Lang Toronto, Ontario	Chief Financial Officer and Secretary	Managing Director, TD Securities	N/A	—	—
Nikita Tziavas Toronto, Ontario	Director	Vice President, TD Securities Inc.	2006	—	—
Clive H. J. Coombs Oakville, Ontario	Director	Corporate Director	2000	—	—
John B. Newman ⁽¹⁾ Toronto, Ontario	Chairman and Director	Chairman, Multibanc Financial Holdings Limited	2000	—	—
Louise Morwick Toronto, Ontario	Director	Principal, Silvercreek Management Inc.	2007	—	—

* Includes shares held directly, indirectly, or over which direction is exercised. Holdings are as at February 10, 2010.

Note:

- (1) John B. Newman has participated as a director, in a number of creditor initiated post CCAA or Chapter 11 corporate restructurings. Mr. Newman was an independent director of FT Capital Inc. until his resignation on December 17, 2002. FT Capital Inc. was operating under an agreed moratorium on its principal and interest payments on its subordinated debentures prior to Mr. Newman becoming one of its directors. Prior to Mr. Newman's resignation, FT Capital Inc. was subject to a number of cease trade orders issued in 2001 and 2002 by various securities regulatory authorities in Canada for failure to file financial statements while its principal shareholder B.C. Pacific Capital Corporation considered restructuring options with Brascan Financial Corporation. Those cease trade orders were subsequently terminated after FT Capital Inc. filed the requisite financial statements.

During the past five years, all the directors and officers have held the principal occupations noted opposite their respective names, or other similar occupations with their current employer or a predecessor company, other than Clive H. J. Coombs, who was Executive Vice President and Portfolio Manager of AGF Management Limited from 1998 to June, 2005 and Cameron Goodnough who held various positions, including Director, Corporate Finance, with RBC Dominion Securities Inc. from April 2000 to August 2006.

Under applicable corporate legislation, the Company is required to have an Audit Committee. The Audit Committee is composed of Messrs. Newman (Chairman), Coombs and Ms. Morwick.

The Administrator named the initial members of the Company's Independent Review Committee ("IRC") on April 17th, 2007 for a three year term. The initial IRC members are Messrs. Newman, Coombs and Ms. Morwick.

Remuneration of Directors and Officers

The directors and officers of the Company who are employees of TDSI or the Toronto-Dominion Bank ("TD Bank") do not receive any remuneration from the Company in connection therewith. Each of the directors who is not employed by TDSI or one of its affiliates (Messrs. Newman, Coombs and Ms. Morwick) is paid an annual fee of \$7,500 plus \$500 per meeting attended. Audit Committee members who are not employed by TDSI or one of its affiliates (Messrs. Newman, Coombs and Ms. Morwick) are paid an additional fee of \$500 per Audit Committee meeting. Independent Review Committee members who are not employed by TDSI or one of its affiliates (Messrs. Newman, Coombs and Ms. Morwick) are paid an annual fee of \$2,000 plus an additional fee of \$500 per IRC meeting attended. The aggregate compensation paid by the Company to the directors for the year ended December 15, 2009 was \$44,444. The aggregate amount of expenses reimbursed to directors in the year was nil.

PRINCIPAL SHAREHOLDERS

All of the issued and outstanding Class E Shares of the Company are owned by Big 8 Split Trust, a trust established for the holders of the Preferred Shares and the Capital Shares from time to time. The Class E Shares are held in escrow by Computershare Investor Services Inc. pursuant to an agreement dated as of August 27, 2003 (the “Escrow Agreement”) between such trust, Computershare Investor Services Inc. and the Company and will not be disposed of or dealt with in any manner until all the Preferred Shares and Capital Shares have been retracted or redeemed, without the express consent, order or direction in writing of the Ontario Securities Commission.

CONFLICTS OF INTEREST

Certain officers and directors of the Company are currently employees of TDSI or TD Bank. In consideration for the services as Administrator, TDSCI currently receives a monthly fee of $\frac{1}{12}$ of 0.25% of the market value of the Portfolio Shares and any interest income earned by the Company from time to time. The Administration Agreement has a term expiring upon the redemption or retraction of all Preferred Shares and Capital Shares.

TDSI, as agent sells Portfolio Shares to fund cash retractions and certain other transactions and with receipt of any regulatory approval may purchase, as principal, such Portfolio Shares from the Company. In addition, as part of the re-leveraging transaction, TDSI acted as an agent for the Company.

CORPORATE GOVERNANCE

The Board of Directors of the Company, is responsible, through oversight, for the overall stewardship of the Company’s business and affairs. Many of the Board’s and management’s responsibilities are set forth and provided for in the Company’s prospectus. The Board also has a mandate setting out its duties and responsibilities. The Board of Directors consists of five directors. Three directors are unrelated to the Company and two are senior officers of the Administrator. The Board of Directors believes that this number of directors is appropriate for the Company. The Chairman of the Board of Directors is not the Chief Executive Officer of the Company and is an unrelated director. Only the unrelated directors are compensated by the Company. Compensation is considered appropriate given the risk and responsibilities borne by each director. The Board of Directors is responsible for developing the Company’s approach to governance issues and for proposing new nominees to the Board (should the need arise) and has not assigned these responsibilities to a committee. Individual directors may engage outside advisors at the Company’s expense in the appropriate circumstances. The only standing committee of the Board of Directors is the Audit Committee. The Audit Committee consists of three members, all of whom are unrelated directors, and has the responsibility to oversee the Company’s financial statements and reports and makes recommendations in respect thereof to the Board of Directors prior to their approval by the Board.

In addition, the Administrator has established an Independent Review Committee (“IRC”) as required by National Instrument NI 81-107 — *Independent Review Committee for Investment Funds* (“NI 81-107”). The IRC, which consists of three independent directors, is only responsible for reviewing conflict of interest matters referred to the IRC by the Administrator in accordance with NI 81-107, as the same may be amended or replaced from time to time.

PROXY VOTING POLICY

The Company has adopted a policy that generally it will not vote the Portfolio Shares on routine matters. From time to time, the independent directors of the Company will determine whether or not to vote the Portfolio Shares on non-routine matters. If a decision is made to vote the Portfolio Shares in such circumstances, the independent directors will determine the manner in which such Portfolio Shares will be voted. Non-routine matters include, but are not limited to, significant transactions such as an amalgamation or merger proposal for the underlying company.

All decisions by the independent directors with respect to the voting of the Portfolio Shares by the independent directors, on non-routine matters, including the decision whether or not to vote the Portfolio Shares, will be made in the best interests of the shareholders of the Company.

If there is a conflict of interest between the interests of the shareholders of the Company and any independent director with respect to the voting of the Portfolio Shares, such independent director will be required to inform the Company of his or her interest and to refrain from being involved in making a determination with respect to the voting of such Portfolio Shares on the relevant matter.

INVESTMENT RESTRICTIONS

The Company is considered to be a investment fund subject to certain restrictions and practices contained in securities legislation, including **National Instrument 81-102 (“NI 81-102”)** but applied for and obtained an exemption from certain of its provisions applicable to non-listed investment funds. The Company is managed in accordance with applicable restrictions and practices. The Company obtained exemption from the following requirements of **NI 81-102**:

- Section 2.1(1) — Concentration Restriction — to enable the Company to invest more than 10% of its net assets in the common shares of each of the Financial Institutions provided that the Company does not become an insider of the Financial Institutions as a result of such investment;
- Section 10.3 — Redemption Price of Securities — to permit the Company to calculate the Retraction Price for the Preferred Shares and Capital Shares in the manner described in the Prospectus and on the applicable Valuation Date as defined in the Prospectus;
- Section 10.4 — Payment of Redemption Price — to permit the Company to pay the Retraction Price for the Preferred Shares and the Capital Shares on the Retraction Payment Date, as defined in the Prospectus;
- Section 12.1(1) — Compliance Reports — to relieve the Company from the requirement to file the prescribed compliance report; and
- Section 14.1 — Record Date — to relieve the Company from the requirement relating to the record date for the payment of dividends or other distributions, provided that it complies with the applicable requirements of the TSX.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

This summary is based upon the current provisions of the Tax Act, the Regulations thereunder (the “Regulations”), the specific proposals for amendments to the Act and the Regulations which have been publicly announced by the Minister of Finance prior to the date hereof (the “Proposed Amendments”) and the Company’s understanding of the current published administrative practices of the Canada Revenue Agency. This summary is not exhaustive of all possible Canadian federal income tax consequences and does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

The Company qualifies and intends to continue to qualify as an investment fund corporation under the Act and is subject to tax under Part I of the Tax Act in respect of its net realized capital gains. The Company will be entitled to refunds in accordance with the provisions of the Act of substantially all tax paid with respect to net taxable capital gains upon payment of sufficient capital gains dividends or in respect of sufficient redemptions of Preferred Shares or Capital Shares. Also the Company is subject to a tax of 33 $\frac{1}{3}$ % under Part IV of the Tax Act on taxable dividends received in the year. This tax is fully refundable upon payment of sufficient dividends. As a result, the Company does not anticipate that it will be subject to any material net Canadian income tax liability.

Dividends other than capital gains dividends received by individuals on the Capital Shares or Preferred Shares will be subject to the normal gross-up and dividend tax credit rules applicable to dividends received on shares of a taxable Canadian corporation.

Return of capital payments to a holder of Preferred Shares will not be subject to tax but will reduce the adjusted cost base of the Preferred Shares to the holder.

The amount of any capital gains dividend received by a holder of Preferred Shares or Capital Shares will be considered to be a capital gain of the holder from the disposition of capital property in the taxation year of the holder in which the capital gains dividend is received.

Capital Shares received by a holder of Capital Shares as payment of a capital gains dividend will be deemed to have been acquired by such holder at a cost equal to the amount of such dividend.

A disposition of a Preferred Share or a Capital Share held as capital property, whether to the Company or otherwise, may result in a capital gain or a capital loss to the holder thereof. A redemption or retraction of Preferred Shares or Capital Shares, including where a holder elects to receive Portfolio Shares, is considered a disposition for these purposes.

The Preferred Shares and the Capital Shares continue to be qualified investments under the Tax Act for trusts governed by the registered retirement saving plans, registered retirement income funds, deferred profit sharing plans or registered education savings plans.

INVESTMENT CONSIDERATIONS AND RISK FACTORS

Leverage

Holders of the Capital Shares enjoy a form of leverage in that any capital appreciation in the Portfolio Shares after payment of redemption or retraction values of the Preferred Shares, a portion of the Preferred Share Dividend Amount, if any, and extraordinary expenses will be for the benefit of the holders of the Capital Shares. In the event of a decrease in the value of the Company's underlying investment in the Portfolio Shares, this leverage will work to the disadvantage of holders of the Capital Shares, with the result that any net capital loss incurred by the Company on its investment in the Portfolio Shares will effectively first be for the account of the holders of the Capital Shares. If the Unit Value is less than or equal to \$12.00 plus accrued and unpaid dividends on the Preferred Shares on the Redemption Date, the Capital Shares will have no value.

Interest Rate Fluctuations

It is anticipated that the market value of the Preferred Shares and the Capital Shares will, at any given time, be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the value of the Preferred Shares and the Capital Shares.

Market Fluctuations

The value of the Preferred Shares and Capital Shares will vary according to the value of the Portfolio Shares. The value of the Portfolio Shares will be influenced by factors which are not within the control of the Company, including the financial performance of the Financial Institutions, interest rates and other financial market conditions. Accordingly, the value of the Preferred Shares and Capital Shares will vary from time to time.

Securities Lending

The Company may engage from time to time in securities lending. Although the Company will receive collateral for the loans and such collateral will be marked-to-market, the Company will be exposed to the risk of loss should the borrower default on its obligation to return the loaned securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

Concentration Risk

The Portfolio will consist only of shares of the Financial Institutions and, as a result, the Company's holdings will not be diversified. This may have a negative impact on the value of the Preferred Shares and the Capital Shares.

No Ownership Interest

An investment in Preferred Shares or Capital Shares does not constitute an investment in the Portfolio Shares. Holders of Preferred Shares and Capital Shares will not own the Portfolio Shares held by the Company or have any voting rights in respect of the Portfolio Shares.

Investment Fund Policies

The Company is considered to be a investment fund but does not generally operate in accordance with, and has obtained exemption from certain of the protections provided by, the policies of Canadian securities regulators applicable to conventional investment funds.

MATERIAL CONTRACTS

Contracts material to shareholders that have been entered into by the Company are:

- (1) the Administration Agreement; and
- (2) the Custodian Agreement.

Copies of these agreements have been filed on SEDAR at www.sedar.com and may be inspected during business hours at the head office of the Company.

TRANSFER AGENT, REGISTRAR, CUSTODIAN AND AUDITORS

The transfer agent and registrar of the Preferred Shares and the Capital Shares is Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario M5J 2Y1. The register of securities is kept in Toronto, Ontario.

The custodian of the Company's Portfolio Shares is RBC Dexia Investor Services Trust, Toronto, Ontario.

The auditors of the Company are Ernst & Young LLP, 222 Bay Street, Ernst & Young Tower, Toronto, Ontario M5K 1J7.

BIG SPLIT INC.

ADMINISTRATOR

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ADDITIONAL INFORMATION

Additional information about the Company is available in the Company's financial statements. The Company will provide to any person or company, upon the request to the Secretary of the Company located at 222 Bay Street, 7th Floor, Ernst & Young Tower, Toronto, Ontario M5K 1A2 or from Investors Relations at (416) 982-2865, one copy of the documents referred to below, provided the Company may require persons or companies who do not hold securities of the Company to pay a reasonable charge for the information:

- i. one copy of the Company's Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Company's Annual Information Form;
- ii. one copy of the comparative financial statements of the Company, including a statement of portfolio transactions, for its most recently completed financial year for which financial statements have been filed, together with the accompanying report of the auditor, and one copy of the most recent interim financial statements of the Company that have been filed, if any, for any period after the end of its most recently completed financial year;

The financial statements and other information about the Company, such as the material contracts, are also available on the Company's website located at www.tdsponsoredcompanies.com or at www.sedar.com.