THE NORTH WEST COMPANY

NORTH WEST COMPANY FUND

INFORMATION CIRCULAR
(Dated April 24, 1998)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the trustees of North West Company Fund (the "Fund") to be used at the Special and Annual Meeting (the "Meeting") of the holders (the "Unitholders") of Trust Units (the "Units") of the Fund to be held at the time and place and for the purposes stated in the Notice of Special and Annual Meeting of Unitholders accompanying this Information Circular. The Meeting will be held in the Muriel Richardson Auditorium, Winnipeg Art Gallery, 300 Memorial Boulevard, Winnipeg, Manitoba, on Thursday, June 4, 1998 at 11:30 a.m. (Winnipeg time). Information given herein is given as of April 24, 1998, except where otherwise indicated. The solicitation will be primarily by mail, but proxies may also be solicited by employees of The North West Company Inc. (the "Company"), a wholly-owned subsidiary of the Fund, or by CIBC Mellon Trust Company, its transfer agent. The cost of solicitation by trustees of the Fund will be borne by the Fund.

The Fund, through CIBC Mellon Trust Company, has distributed copies of the Notice of Special and Annual Meeting of Unitholders, Information Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies, or their nominees (collectively, "intermediaries") for onward distribution to Unitholders whose Units are held by or in the custody of such intermediaries ("non-registered Unitholders"). Such intermediaries are required to forward the documents to non-registered Unitholders unless such Unitholders have waived the right to receive the material.

The solicitation of proxies from non-registered Unitholders will be carried out by intermediaries, the Fund or CIBC Mellon Trust Company, if the names and addresses of non-registered Unitholders are provided by such inter-mediaries.

Non-registered Unitholders who wish to file proxies should follow the directions of their intermediaries with respect to the procedure to be followed. Generally, non-registered Unitholders will either:

A. be provided with a request for voting instructions. The intermediary is required to send to CIBC Mellon Trust Company an executed form of proxy completed in accordance with any voting instructions received by it; or
B. be provided with a form of proxy executed by the intermediary but otherwise uncompleted. The non-registered Unitholder may complete the proxy and return it directly to CIBC Mellon Trust Company (see "Appointment and Revocation of Proxies").

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are the trustees of the Fund.

As indicated on the form of proxy, Unitholders desiring to appoint some other person (who need not be a Unitholder) to represent them at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy, returning the completed proxy in the envelope provided, or delivering it to the attention of the trustees of the Fund at the address set forth below.

A registered Unitholder giving a proxy may revoke the proxy by instrument in writing executed by the registered Unitholder or his attorney authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized, and deposited at the registered office of the Fund, 77 Main Street, Winnipeg, Manitoba, R3C 2R1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or in either case with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law, but prior to the exercise of such proxy in respect of any particular matter.

A non-registered Unitholder may revoke voting instructions or a waiver of the right to receive documents and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of voting instructions or of a waiver of the right to receive documents and to vote that is not received by the intermediary at least seven days prior to the Meeting.

EXERCISE OF DISCRETION BY PROXIES

The person named in the enclosed form of proxy will vote the Units in respect of which he/she is appointed in accordance with the direction of the Unitholder appointing him/her. In the absence of such direction, such Units will be voted in favor of each of the matters referred to in the Notice of Special Annual Meeting of Unitholders. **The enclosed form of proxy confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the Notice of Special Annual Meeting of Unitholders, and with respect to other matters which may properly come before the Meeting.** As at the date of this Information Circular, the trustees of the Fund know of no such amendments, variations, or other matters to come before the Meeting other than the matters referred to in the Notice of Special Annual Meeting of Unitholders.

VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

The issued and outstanding capital of the Fund as at April 24, 1998, consists of 15,000,000 Units to which are attached voting rights.

At all meetings of the Unitholders, each Unitholder is entitled to one vote for each Unit registered in his/her name on the books of the Fund. Every question coming before the Meeting shall, unless otherwise required by law, be determined by the majority of votes duly cast on the question.

Unitholders of record as of April 20, 1998, shall be entitled to vote at the Meeting.

As at April 24, 1998, to the knowledge of the trustees of the Fund, no person or corporation beneficially owns or exercises control or direction over more than 10% of the Fund’s outstanding Units.

THE FUND

The Fund is an open-ended mutual fund trust governed by the laws of the Province of Manitoba and created pursuant to a Declaration of Trust dated as of January 31, 1997 (the "Declaration of Trust"). The Fund is administered by a board of trustees (the "Trustees"). The principal and head office of the Fund is located at 77 Main Street, Winnipeg, Manitoba, R3C 2R1.

The Fund is a limited-purpose trust and is restricted to:

> (a) investing in such securities as may be approved from time to time by the Trustees and the board of directors of the Company;
>
> (b) disposing of any part of the assets of the Fund;
>
> (c) temporarily holding cash and investments for the purpose of paying the expenses and liabilities of the Fund, paying amounts payable by the Fund in connection with the redemption of any Units and making distributions to Unitholders; and
>
> (d) undertaking such other business and activities as shall be approved by the Trustees from time to time provided that such business or activity does not result in the Fund not being considered either a "unit trust" or a "mutual fund trust" for purposes of the Income Tax Act.

ELECTION OF TRUSTEES OF THE FUND

The Declaration of Trust provides for a board of Trustees consisting of a minimum of three Trustees and a maxi- mum of seven Trustees. The information given herein with respect to each of the Trustees is based upon information furnished to the Fund by each Trustee.

The number of Trustees to be elected at the Meeting is three, who will hold office until the next Annual Meeting of the Fund unless any such person ceases to be a Trustee before then.

The following table states the names of all the persons who are currently Trustees and who are proposed to be nominated for election to continue as Trustees, all other positions and offices within the Company and the Fund now held by them, their principal occupation or employment and the approximate number of Units of the Fund beneficially owned or subject to control or direction by each of them.

The persons named in the enclosed form of proxy intend to vote for the re-election of the following nominees as Trustees unless Unitholders specify in such proxy that their Units are to be withheld from voting in the election of Trustees or voted otherwise.

	Municipality of Residence	**Units Beneficially Owned or Subject to Control or Direction**
Kevin Bolt Partner Pitblado & Hoskin	Winnipeg	600
David G. Broadhurst Investment Banker First Marathon Securities Limited	Toronto	Nil
Ian Sutherland Chairman The North West Company Inc,	Winnipeg	530,300

REMUNERATION OF TRUSTEES

Trustees are entitled to a quarterly fee of $3,000 and a fee of $800 per meeting. Trustees are also reimbursed for reasonable travelling and other expenses properly incurred by them in attending meetings of the Trustees or any committee thereof or in connection with their services as Trustees.

THE COMPANY

ELECTION OF DIRECTORS OF THE COMPANY

Pursuant to the Declaration of Trust, a resolution of the Unitholders binds the Trustees with respect to the election of the board of directors of the Company (the "Directors").

The articles of the Company provide for a board of Directors consisting of a minimum of eight Directors and a maximum of fifteen Directors. The number of Directors presently in office is eleven. The information given herein with respect to each of the Directors is based upon information furnished to the Company by each Director.

The number of Directors to be elected at the Meeting is eleven, who will hold office until the next Annual Meeting of the Fund unless any such person ceases to be a Director before then.

The following table states the names of all the persons proposed to be nominated for election as Directors, all other positions and offices within the Company and the Fund now held by them, their principal occupation or employment, the committees of the board on which they sit, their municipality of residence, the year in which they became Directors, and the approximate number of Units of the Fund beneficially owned or subject to control or direction by each of them.

The persons named in the enclosed form of proxy intend to direct the Trustees to vote for the election of the nominees as Directors, unless Unitholders specify in such proxy that their Units are to be withheld from voting in the election of Directors or voted otherwise.

	Director Since	Units Beneficially Owned or Subject to Control or Direction
Lloyd I. Barber, President Emeritus, University of Regina (2,3,5)	1991	1,444
Donald A. Beaumont , Director The North West Company Inc.(1,3,4)	1996	2,000
Nellie Cournoyea, Chairperson and CEO, Inuvialuit Regional Corporation (4,5)	1996	100
Raymond Doré, Chairman & Chief Executive Officer, MCAP Financial Corporation. (2,3)	1987	1,000
Edward S. Kennedy, President and Chief Executive Officer, The North West Company Inc.	1996	80,986
Gary J. Lukassen, Executive Vice- President and Chief Financial Officer, Hudson's Bay Company (1,3,4)	1987	1,000
Stanley McKay, Director, Spiritual Care, Health Sciences Centre, Co-Director, Dr. Jessie Saulteaux Resource Centre (2,4)	1994	100
Sterling J. McLeod, Consultant, Investors Group Inc. (3,5)	1993	Nil
James G. Oborne, President, Mentor, Capital Management Corporation (1,2,5) (Note 1)	1987	30,000
T. Iain Ronald, Director, The North West Company Inc. (1,2,4)	1987	19,950
Ian Sutherland, Chairman, The North West Company Inc.and Trustee, North West Company Fund (1,5)	1978	530,300

Committees of the Board

Executive (1)
Corporate Governance (2)
Audit (3)
Human Resources and Compensation (4)
Pension (5)

(1) James G. Oborne is President of Mentor Capital Management Corporation which manages the pension fund assets of Teachers' Retirement Allowances Fund Board, beneficial owner of 1,466,000 or 9.7% of the Units of the Fund.

All of the above-named nominees have held their present positions or other executive positions with the same or associated firms or organizations during the past five (5) years, except as follows:

In January 1996, Donald Beaumont retired as President and CEO, Kmart Canada Ltd., a position he had held since 1991.

Nellie Cournoyea was Government Leader of the Northwest Territories from November 1991 to November 1995.

In October 1997, Stanley McKay was seconded by the Health Sciences Centre (HSC) of Winnipeg as Director, Spiritual Care. In 1994 he completed a two-year elected term as Moderator of the United Church of Canada and returned to the Dr. Jessie Saulteaux Resource Centre, with which he had been associated before his United Church of Canada appointment. He will continue his association with the Centre as Co-Director during his term with HSC.

T. Iain Ronald was Chairman of the Company from June 1994 to March 1997 and Vice-Chairman, Canadian Imperial Bank of Commerce prior to his retirement on February 28, 1995.

Ian Sutherland was President and Chief Executive Officer of the Company from October 1993 to March 1997. Prior to October 1993 he was Executive Vice-President, The Mutual Trust Company.

In March, 1995, Edward Kennedy was appointed as CEO and Chairman of Alaska Commercial Company. As well he served as Executive Vice-President of the Company. In March, 1997, he was appointed President & CEO of the Company.

If any of the above nominees is for any reason unavailable to serve as Director, proxies in favor of the Trustees will be voted for another nominee at the discretion of the Trustees unless the Unitholder has specified in the proxy that the Units are to be withheld from voting in the election of Directors or voted otherwise.

Remuneration of Directors

Directors who are not employees of the Company are entitled to a quarterly fee of $3,000, a fee of $800 per meeting of the board of directors (the "Board") attended, a fee of $600 per committee meeting attended and a quarterly fee of $500 for the chair of each Board committee. Total Directors' fees for the financial year ended January 31, 1998, amounted to $262,643.

CORPORATE GOVERNANCE

The Toronto Stock Exchange requires every listed company to disclose on an annual basis its approach to corporate governance with respect to guidelines contained in the TSE’s by-laws (the "Guidelines"). Although the Company is no longer a listed company, the Board is aware of its responsibility for corporate governance matters. Accordingly, the Company has a system of corporate governance which is substantially in compliance, as set forth below, with the Guidelines.

Mandate of the Board

The mandate of the Board is to supervise the management of the business and affairs of the Company. In fulfilling its mandate, the Board is responsible for, among other things:

- the adoption of a strategic planning process;

- identification of the principal risks of the Company’s business and ensuring the implementation of the appropriate systems to manage these risks;
- succession planning, which includes appointing, training and monitoring senior management;
- ensuring that an effective Unitholder and investor relations communications program is in place;
- the integrity of internal controls and management information systems, and
- the review and evaluation of operations, results and action plans.

There were four regularly scheduled and three special meetings of the Board during the financial year of the Company ended January 31, 1998. The frequency of meetings depends upon the state of the Company’s affairs and the opportunities or risks which the Company faces.

Composition of the Board

The Guidelines recommend that a board of directors be constituted with a majority of individuals who qualify as "unrelated" directors. The Guidelines define an "unrelated" director as a director who is independent of management and is free from any interest and any business or other relationship which could materially interfere, or could reasonably be perceived to interfere, with the director’s ability to act with a view to the best interests of the corporation, other than interests and relationships arising from holding shares.

The Directors have examined the relevant definitions in the Guidelines and have individually considered their respective interests and relationships in and with the Company. As a consequence, the Board has determined that of its 11 directors, ten are "unrelated" directors and one, Edward Kennedy, is a "related" director. Messrs. Sutherland and Kennedy are each "inside" directors (i.e., directors who are officers and/or employees of the Company or any of its affiliates). Mr. Sutherland is a non-executive Chairman of the Board and as such is considered an "unrelated" director appointed by the Board. The Board considers its size of eleven Directors to be appropriate at the current time.

The Guidelines also recommend that in circumstances where a corporation has a "significant" shareholder (that is, a shareholder with the ability to exercise the majority of the votes for the election of the directors attached to the outstanding shares of the corporation) the board of directors should include a number of directors who do not have interests in, or relationships with, either the corporation or the "significant" shareholder and which fairly reflects the investment in the corporation by shareholders other than the "significant" shareholder. Although the Fund would be considered a "significant" shareholder, the Declaration of Trust provides the Unitholders with the right to bind the Trustees with respect to the election of the Directors, and the Fund does not have a "significant" Unitholder.

Board Committees

The Board has five committees: Executive, Audit, Corporate Governance & Nominating, Human Resources & Compensation, and Pension. Each committee is comprised of "unrelated" Directors.

Each year, Directors are appointed to Board committees, by the Board, at a meeting following the Annual Meeting of Unitholders.

The mandate of each committee Is outlined below.

Executive Committee

The Executive Committee’s mandate includes the review of corporate strategy, the analysis of major transactions and such other duties as are delegated by the Board.

This committee met once during the financial year of the Company ended January 31, 1998, and is presently composed of the following Directors: Ian Sutherland, Committee Chair; Don Beaumont, Gary Lukassen, James Oborne and Iain Ronald.

Corporate Governance & Nominating Committee

The Corporate Governance and Nominating Committee is responsible for developing the Company’s approach to corporate governance, including the mandate, size and composition of the Board and its committees. As well, this committee assesses the effectiveness of the Board, its members and committees and nominates Directors for election. This committee also makes recommendations to the board of Trustees of the Fund on the composition, mandate and membership of the board of Trustees of the Fund. This committee met once during the financial year of the Company ended January 31, 1998 and is presently composed of the following Directors: Iain Ronald, Committee Chair; Lloyd Barber, Raymond Doré, Stanley McKay and James Oborne.

Audit Committee

The Audit Committee is responsible for reviewing the Company's annual financial statements and certain other public disclosure documents required by regulatory authorities and making recommendations to the Board with respect to such statements and documents. This committee also makes recommendations to the Board regarding the appointment of independent auditors, reviews the nature and scope of the audit as proposed by the external and internal auditors and management, and reviews with management the risks inherent in the Company's business and risk management programs relating thereto. This committee also reviews with the auditors and management the adequacy of the internal accounting control procedures and systems of the Company. This committee meets independently with the Company's external auditors.

This committee met twice during the financial year of the Company ended January 31, 1998, and is presently composed of the following Directors: Gary Lukassen, Committee Chair; Lloyd Barber, Don Beaumont, Raymond Doré, and Sterling McLeod.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee has the general responsibility to review policies and programs which impact on employees of the Company. This committee is also responsible for reviewing the levels and form of total compensation and long-term incentive plans. This committee reviews the annual objectives of the Chief Executive Officer of the Company (CEO), and develops appropriate compensation policies for the Directors and officers of the Company. This committee is responsible for the succession planning of the CEO and evaluating senior management. These responsibilities include reporting and making recommendations to the Board for their consideration and approval.

This committee met three times during the financial year of the Company ended January 31, 1998, and is presently composed of the following Directors: Donald Beaumont, Committee Chair; Nellie Cournoyea, Gary Lukassen, Stanley McKay and Iain Ronald.

Pension Committee

The Board is the legal administrator for the defined benefit pension programs operated by the Company. As the legal administrator, the Board appoints a Pension Committee to fulfill its responsibilities. The main duties of this Committee are to establish and revise as appropriate, an investment policy statement; to review the asset mix strategy of the investment manager; to ensure the pension fund is managed in accordance with the guidelines set out in the investment policy statement, and to consider any changes to the pension programs. This committee appoints an investment manager as well as a custodian for the pension assets. Generally, this committee meets at least quarterly.

This committee conducted four meetings during the financial year of the Company ended January 31, 1998, and is presently composed of the following Directors: James Oborne, Committee Chair; Lloyd Barber, Nellie Cournoyea, Sterling McLeod and Ian Sutherland.

Decisions Requiring Prior Board Approval

The Board considers that certain decisions are sufficiently important that management should seek prior approval of the Board. Such decisions include:

- approval of strategic plans;
- approval of annual operating and capital budgets and any material changes to these budgets;
- capital expenditures in excess of $2,000,000;
- the issuance of shares in the capital and debt securities of the Company, and the realignment of the capital structure of the Company to effect an appropriate dividend and distribution policy;

- all other matters as required under the Canada Business Corporations Act.

Procedures for Recruiting New Directors

The Corporate Governance & Nominating Committee is responsible for recommending new nominees for election to the Board. This committee considers the factors discussed in the Guidelines when recruiting new Directors.

Directors are provided with reports relating to the Company's business affairs and are given presentations on the operations of the Company. All Directors are provided with the opportunity to visit Company stores to enable them to better understand the Company's business, and the associated risks.

The Company considers its orientation and education program for new Directors to be an important element of ensuring responsible corporate governance. In addition to discussions with the Chairman of the Board, the President and CEO and other officers with respect to the business and the operations of the Company, a new Director receives a Directors' manual which includes background information on the Company and a record of historical public information.

Board Performance-Enhancement Measures

The Chairman of the Board is responsible for ensuring the effective operation of the Board and its committees.

At least once a year, the Chairman meets with, and/or surveys, all Directors individually and as a group to discuss the effectiveness of Board processes and the quality of information provided to Directors by management. The Committee conducts an annual evaluation of the effectiveness of individual Directors and the committees on an annual basis. It also reviews on a biannual basis the adequacy and form of Directors' compensation and ensures such compensation realistically reflects the responsibilities and risks involved in being an effective Director. The Chairman reviews the results of this process with the Corporate Governance and Nominating Committee.

The Board, together with the CEO, review position descriptions for the Board and for the CEO. In addition, the Board approves the annual operating plan of the Company which the CEO is responsible for achieving.

The Company provides Directors with the right to consult outside professional advisors in the discharge of their duties, subject to the approval of the Chairman of the Board.

Unitholder Relations and Feedback

The Vice-President and Chief Financial Officer of the Company is responsible for investor relations and ensures that questions and concerns receive prompt responses.

At annual meetings, Unitholders are encouraged to ask questions of the Trustees, and Directors and officers of the Company. In addition, a 24-hour listen line with an 800 number and an Internet web site provide Unitholders with access to the most recent press releases, quarterly reports and general information on the Company. Phone and fax numbers and the Company's web site address are printed on all Company and Fund reports for Unitholders' convenience.

Board Expectations of Management

The board holds management responsible for the achievement of goals set out in strategic plans. It also requires management to report on their progress on a timely, accurate and relevant basis to enable effective evaluation of performance.

EXECUTIVE COMPENSATION REPORT BY THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee has the general responsibility to review policies and programs for attracting, retaining, developing and motivating employees of the Company. This committee has the specific mandate to annually review officer compensation and make recommendations as necessary to the Board, which has final approval in all areas of officer compensation.

In carrying out its mandate, the committee assesses the performance of the CEO on an annual basis against previously established performance objectives. It also reviews the yearly performance reports submitted by the CEO for the other officers of the Company.

The Committee typically meets three times a year and is composed of independent directors. The CEO and the Vice-President of Human

Resources attend meetings of the committee but are not present for discussions of their own remuneration.

The guiding philosophy of the officer compensation program is "pay-for-performance". The total compensation program for officers is composed primarily of three components, namely a base salary, an annual bonus plan and a long-term incentive program. The latter two variable compensation programs are designed to put a significant amount of officer remuneration at risk by being highly dependent upon increases in profitability and Unitholder value.

Base salary ranges are in place for each officer position and were determined with the assistance of an independent compensation consulting firm. These ranges are reviewed and adjusted periodically against current survey data. Individual salary levels are set in the appropriate salary range based on the officer's experience and proven, or expected, level of performance.

The second component of total compensation, the annual bonus, is intended to reward officers for the achievement of specific predetermined objectives. Achieving the specific target for return on net assets determines 50% of annual bonuses, and the other 50% is determined by specified corporate, functional and personal goals.

If target performance objectives were achieved, the bonus payment for Vice-Presidents would be 40% of base salary and the bonus range is from 0% to 80% of base salary. For the CEO, the annual target payment is 60% of base salary and the bonus range is from 0% to 120% of base salary.

The final compensation component of the officer compensation program is the long term incentive program which is intended to reinforce the officers' commitment to the sustained enhancement of both profitability and Unitholder value. This objective is achieved through the award of Unit appreciation rights ("UAR"s), granted at the discretion of the Board. When awarded to a Vice-President, the grant of UARs would be equal to 80% of the Vice-President’s base salary, divided by the prevailing Unit price and rounded up to the nearest hundred Units. The grant of UARs to the CEO would be similarly calculated at 100% of the CEO’s base salary.

The officers also participate in a flexible-spending plan wherein officers can select various benefits or perquisites. Participation in the Company's basic life insurance program and pension plan are mandatory and are not included in this flexible program.

In arriving at its recommendations, this committee has access to compensation information from the retail industry and other large corporate employers with whom the Company may compete for resources. In addition to quantitative market comparisons, this committee also considers various financial performance measures such as net income levels, earnings before interest and taxes (EBIT) and earnings per Unit (EPU). This committee also appreciates the importance of qualitative factors in assessing officer performance such as demonstrated leadership abilities, risk-taking and the management of major projects and initiatives seen to be of importance to the Company.

Respectfully submitted by the Human Resources and Compensation Committee of the Board:

Donald A. Beaumont, Chair
Nellie Cournoyea
Gary J. Lukassen
Stanley McKay
T. Iain Ronald

COMPARISON OF THE CUMULATIVE TOTAL RETURN BETWEEN THE COMPANY, THE TSE 300 INDEX AND THE MERCHANDISING SUB-INDEX OF THE TSE FROM THE DATE OF LISTING OF THE COMPANY

	Jan.'93	Jan.'94	Jan.'95	Jan.'96	Jan.'97	Jan. '98
The Fund/Company (1)	**$100**	**$116**	**$70**	**$58**	**$83**	**$110**
TSE 300	**$100**	**$142**	**$128**	**$162**	**$197**	**$227**
Merchandising Sub-Index	**$100**	**$117**	**$101**	**$114**	**$143**	**$168**

(1) Effective March 27, 1997, the shares of the Company listed on the TSE were effectively exchanged for Units of the Fund.

Notes: Assumes $100 invested at the end of January, 1993, in the Company, the TSE's 300 Index and Merchandising sub-index. Company dividends/Fund distributions are reinvested in the month of the ex-dividend/distribution date. The Index already incorporates dividend/distribution reinvestment.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following summary compensation table sets forth information concerning compensation awarded to, earned by or paid to the CEO and four highest paid executive officers (Named Executive Officers) for services rendered in all capacities with respect to the financial year of the Company ended January 31, 1998.

		Annual Compensation			Long Term Compensation	
Name/Principal Position	**Fiscal Year**	**Salary ($)**	**Bonus ($)**	**Other Annual Comp. ($) (1)**	**UARS Granted (#)**	**All other Compensation ($) (2)**
Ian Sutherland Chairman of the Board (3)	1997 1996 1995	48,704 250,000 250,000	0 109,500 30,000	88,614 55,511 62.036	0 10,000 10,200	145,725 14,080 15,972
Edward S. Kennedy (3) President & CEO (4)	1997 1996 1995	250,000 238,335 222,088	52,500 42,569 26,061	51,712 50,237 54,751	19,700 10,000 7,800	13,988 38,953 52,203
William C. Douglas Vice-President, Retail Operations	1997 1996 1995	146,250 135,000 135,000	21,660 69,660 23,760	28,526 29,505 34,205	9,500 10,000 6,300	271 330 268
Gary V. Eggertson Vice-President & Chief Financial Officer	1997 1996 1995	142,750 139,000 139,000	39,744 52,820 23,352	28,053 34,831 42,804	9,100 10,100 6,100	295 310 274
John R. McFerran Vice-President, Human Resources	1997 1996 1995	119,500 118,000 118,000	33,360 56,640 17,464	24,082 30,696 38,474	7,600 10,000 6,500	247 282 228
Darryl P. Lemecha Vice-President Information Services	1997 1996 1995	118,750 112,500 105,000	29,520 57,500 19,320	22,765 22,727 23,661	7,600 10,000 5,800	10,789 8,183 8,180

(1) Includes the value of the interest subsidy paid to officers on loans incurred to purchase Units, and the amount paid to officers under the flexible spending plan. In the case of Ian Sutherland, this also includes $62,960 in Director's Fees and $12,260 as a Fund Trustee.

(2) Includes the value of insurance premiums paid by the Company with respect to term life insurance for the officers, contributions made by the Company to the officers' defined contribution pension plan (a similar amount is incurred for officers in the defined benefit plan however, under securities law, these costs are not required to be shown), payments made on the retirement, resignation or termination of an officer's employment and any other miscellaneous payments.

(3) Ian Sutherland was appointed Chairman of the Board on March 21, 1997. He was previously President & CEO of the Company. Pursuant to an employment agreement dated March 27, 1997, the Company deposited $300,000 in a trust for Mr. Sutherland pursuant to which he is paid approximately one-fifth of the value of the trust assets on an annual basis over a period of five years. Under All Other Compensation, his total includes term life insurance premiums, Company contributions made to the officers' defined contribution pension plan, a retiring allowance plus the first year payment from the trust agreement stated above.

(4) Edward Kennedy was appointed CEO of Alaska Commercial Company, in addition to his position of Chairman, in March 1995. He was previously Executive Vice-President and Chief Operating Officer of the Company until his recent appointment to President & CEO (March 21, 1997). His compensation has been expressed in Canadian dollars. His totals under All Other Compensation for 1995 and 1996 include term life insurance premiums, Company contributions made to the officers' defined contribution pension plan plus relocation allowances provided on his moves between Canada and Alaska.

For the financial year ended January 31, 1998, the Company provided to all the officers a total of $1,026,968 in Base Salaries, $206,028 in Bonuses, $268,469 in Other Annual Compensation and $707,128 in All Other Compensation.

UAR Grants in Last Fiscal Year

The following table sets forth information concerning individual grants of UARs to the Named Executive Officers during the financial year of the Company ended January 31, 1998.

INDIVIDUAL GRANTS

Name	UARs Granted (#) (1)	% Of Total Granted	Exercise or Base Price ($/Share)	Market Value of Units Underlying UARs at Date of Grant ($/Unit)	Expiration Date
Edward S. Kennedy	19,700	36.8	12.75	12.75	04/15/2003
Ian Sutherland	0	0	0	0	n/a
William C. Douglas	9,500	17.8	12.75	12.75	04/15/2003
Gary V. Eggertson	9,100	17.0	12.75	12.75	04/15/2003
John R. McFerran	7,600	14.2	12.75	12.75	04/15/2003
Darryl P. Lemecha	7,600	14.2	12.75	12.75	04/15/2003

(1) On March 19, 1997, 53,500 UARs were granted to officers of the Company at an exercise price of $12.75 which was the market value of the Units on the date of the grant. One fifth of these UARs vest each year for a period of five years commencing April 15, 1998, or such later date as is 15 days after the end of a closed window period following the financial year end of the Company and expire on April 15,

2003.

Aggregate UAR Exercises in the Year & Year-End Values

The following table sets forth information regarding the exercise of UARs by the Named Executive Officers during the financial year of the Company ended January 31, 1998, and UARs held by the Named Executive Officers at January 31, 1998.

Name	Value Realized ($)	Unexercised UARs at FY-End (#)		Value of Unexercised In-The-Money UARs at FY-End ($) (1)	
	(1)	Exercisable	Unexercisable	Exercisable	Unexercisable
Edward S. Kennedy		50,150	41,800	32,825	114,488
Ian Sutherland		70,100	17,650	37,925	97,513
William C. Douglas	7,031	10,400	24,225	29,638	96,956
Gary V. Eggertson	7,031	11,425	23,675	29,213	95,819
John R. McFerran		29,375	22,475	30,036	95,219
Darryl P. Lemecha	31,275	19,250	25,700	0	92,988

(1) Market value of underlying securities at exercise date, minus the exercise or base price.

Pension Plan Table

The following table shows the estimated annual benefits payable upon retirement of the Named Executive Officers of the Company under the Company's Pension Plan.

			Years of Service	
Remuneration	**10**	**15**	**20**	**25**
($)	($)	($)	($)	($)
125,000	21,250	31,875	42,500	53,125

150,000	25,500	38,250	51,000	63,750
175,000	29,750	44,625	59,500	74,375
200,000	34,000	51,000	68,000	85,000
225,000	38,250	57,375	76,500	95,625
250,000	42,500	63,750	85,000	106,250
300,000	51,000	76,500	102,000	127,500
350,000	59,500	89,250	119,000	148,750

The above table reflects the annual benefits payable, under the non-contributory defined benefit pension plan, to officers of the Company at age 60 for the various earnings/service combinations shown. The benefit is not reduced for early retirement at age 60 if the member has 10 years of service as an officer of the Company. The benefits do not include payments from the Canada/Quebec Pension Plan or Old Age Security.

The annual benefit payable is based on 1.7% per year of service of the average of the final three years of remuneration. Remuneration includes base earnings plus bonuses. Upon death, reduced payments continue to the spouse, if applicable.

This table reflects the benefits payable for service as an officer. Various lower benefit formulas apply for service prior to appointment as an officer.

Officers of the Company may elect to accumulate their benefits through an alternative defined contribution arrangement. The amounts shown in the table are also representative of the benefit that may be received if this alternate arrangement is chosen.

As of January 31, 1998, Edward Kennedy had eight years total credited service and seven years credited service as an officer. Ian Sutherland had four years total credited service and four years credited service as an officer. William Douglas had seven years total credited service and seven years credited service as an officer. Gary Eggertson had 25 years total credited service and 10 years credited service as an officer. Darryl Lemecha had four years total credited service and four years credited service as an officer. John McFerran had seven years total credited service and seven years credited service as an officer.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITY AND EMPLOYMENT CONTRACTS

Of the Named Executive Officers, Gary Eggertson is subject to an Executive Employment Agreement which outlines the basic terms and conditions of his employment with the Company. This agreement provides for a severance payment equal to 24 months of base salary (at the then current rate) in the event that his employment is terminated by the Company for any reason other than just cause.

UNIT OWNERSHIP PLANS

The Company has a unit ownership plan under which it pays, on behalf of officers and eligible management employees, interest costs over 4% per annum on certain loans incurred to purchase Units. The aggregate interest subsidy paid under these plans to Named Executive Officers for the financial year of the Company ended January 31, 1998, was $23,989.

INDEBTEDNESS OF TRUSTEES, DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

Neither the Trustees, nor any of the Directors or officers of the Company, nor any associate or affiliate of any of them, is or was indebted, directly or indirectly, to the Fund or the Company at any time since the beginning of the financial year of the Company ended January 31, 1998.

INTEREST OF TRUSTEES, DIRECTORS, OFFICERS AND OTHERS IN MATERIAL TRANSACTIONS

The Trustees are not aware of any material interest, direct or indirect, of any Trustee of the Fund or Director or officer of the Company or any proposed nominee for election as a Trustee or as a Director of the Company, or any associate or affiliate of any such person in any transaction since the beginning of the financial year of the Company ended January 31, 1998, or in any proposed transaction which in either case has materially affected or will materially affect the Fund or the Company or its subsidiaries.

APPOINTMENT AND REMUNERATION OF AUDITORS

The Declaration of Trust provides that the Unitholders shall appoint the auditors of the Fund at each Annual Meeting of the Fund.

The auditors of the Fund and of the Company are Price Waterhouse, Chartered Accountants. Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Price Waterhouse, Winnipeg, as auditors of the Fund and the Company and to authorize the Trustees to fix the remuneration of such auditors. Price Waterhouse were first appointed as auditors of the Company on June 10, 1987, and as auditors of the Fund as of January 31, 1997.

APPROVAL OF AMENDMENTS TO DECLARATION OF TRUST

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration of Trust.

The Trustees have determined that it is in the best interests of the Fund and its Unitholders to permit the Trustees to invest Net Income of the Fund in Permitted Investments from time to time and to make distributions of Units in these circumstances to Unitholders in lieu of cash. These amendments could result in a Unitholder being allocated Net Income of the Fund without receiving cash in an equivalent amount. This may result in a Unitholder paying tax on income attributed without having received the cash representing such income. Accordingly, a Unitholder may be required to pay tax on such income from other funds of the Unitholder, which may include proceeds from the sale of any additional Units which may be issued by the Trustees in lieu of cash. Unitholders will therefore be asked at the Meeting to consider, and if thought fit, approve amendments to the Declaration of Trust by passing the following resolutions:

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The following amendments to the Declaration of Trust are hereby approved:

    a. Article 4 be amended by adding the following Section 4.1.e:

    > "investing the Net Income of the Fund in Permitted Investments as shall be approved by the Trustees from time to time";

    b. Section 4.2 be amended by inserting the following words set forth in bold face type:

    > "To the extent that any monies or other property received by the Fund or the Trustees are not to be immediately used by the Trustees for the purpose of **being invested as permitted under section 4.1.e hereof, or for the purpose** of making distributions under Article 5 hereof…";

    c. Section 5.8.b be amended by inserting the following words set forth in bold face type:

    > "If on any Distribution Record Date the Trustees determine that the Fund does not have cash in an amount sufficient to pay the full distribution to be made on such Distribution Record Date in cash, **including if such insufficiency has resulted from the investment or intended investment of Net Income of the Fund in Permitted Investments,** or if any cash distribution should be contrary to any Subordination Agreement…";

    d. Section 10.2.d be amended by inserting the following words set forth in bold face type:

    > "to **make determinations and** effect payment of distributions to the Unitholders as provided in Article 5 but not contrary to any provisions of any Subordination Agreement or the terms of the Fixed Notes or the subordination provisions of the indenture under which the same are issued";

2. The Trustees be and are hereby authorized and directed to execute a formal amending agreement to incorporate the changes or amendments to the Declaration of Trust and such other changes or amendments to the Declaration of Trust as are necessary or desirable to give effect to the foregoing resolutions and to execute and deliver all documents and to do all such other acts and things necessary or desirable to give effect to such amendments.

3. Notwithstanding the foregoing, the Trustees are hereby authorized to revoke this Special Resolution before it is acted upon without further approval of the Unitholders if they determine the same to be necessary or desirable and in the best interests of the Fund.

To be approved, the foregoing resolutions must be passed by a majority of not less than $66^2/_3$% of the votes cast by Unitholders who vote in person or by proxy in respect of these resolutions at the Meeting.

AVAILABILITY OF DISCLOSURE DOCUMENTS

The Fund will provide to any Unitholder, upon request to its Secretary-Treasurer, a copy of:

(i) its most recent Annual Information Form together with any document or pertinent pages of any document incorporated therein by reference;

(ii) its audited comparative consolidated financial statements for its last financial year ended January 31, 1998, together with the auditors' report thereon;

(iii) its Information Circular for its last annual meeting of Unitholders dated May 29, 1997;

(iv) any material change reports (other than confidential reports) which have been filed with the various securities regulatory authorities.

TRUSTEES' APPROVAL

The contents of this Information Circular and the sending thereof have been approved by the Trustees.

April 24, 1998
Winnipeg, Canada

Richard D. Pope
Secretary-Treasurer