Altus Group

2013

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2013

March 19, 2014

Research, Valuation & Advisory
ARGUS Software
Property Tax Consulting
Cost Consulting & Project Management
Geomatics

www.altusgroup.com

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ALTUS GROUP LIMITED

1. EXPLANATORY NOTES

The information disclosed in this Annual Information Form (the **"AIF"**) is stated as at December 31, 2013 or for the year ended December 31, 2013, as applicable, unless otherwise indicated.

Unless the context indicates otherwise, all references to "**Altus Group**", the "**Company**", "**we**", "**us**", "**our**" or similar terms refer to Altus Group Limited and its consolidated operations and, as applicable, its predecessor, Altus Group Income Fund (the "Fund"). For an explanation of other capitalized terms and expressions used herein, please refer to the "Glossary of Terms". Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "$" are to the lawful currency of Canada.

The amounts in this Annual Information Form and the consolidated financial statements of Altus Group for the year ended December 31, 2013 reflect the adoption of International Financial Reporting Standards ("IFRS"), effective from January 1, 2010.

Certain information in this AIF may constitute "forward-looking information" within the meaning of applicable securities legislation. All information contained in this AIF, other than statements of current and historical fact, is forward-looking information. Forward-looking information includes information that relates to, among other things, our objectives, strategies and intentions, and future financial and operating performance and prospects. Generally, forward-looking information can be identified by use of words such as "may", "will", "expect", "believe", "plan", "would", "could" and other similar terminology. All of the forward-looking information in this AIF is qualified by this cautionary statement.

Forward-looking information includes, but is not limited to, the discussion of our business and operating initiatives; focuses and strategies; our expectations of future performance for our various business units; and our expectations with respect to cash flows and our level of liquidity.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results, performance or achievements, industry results or events to be materially different from those expressed or implied by the forward-looking information. The material factors or assumptions that we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking information include, but are not limited to: the successful execution of our business strategies; consistent and stable economic conditions or conditions in the financial markets; consistent and stable legislation in the various countries in which we operate; no disruptive changes in the technology environment; the opportunity to acquire accretive businesses; the successful integration of our businesses; and the continued availability of qualified professionals.

Inherent in the forward-looking information are known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any results, performance or achievements expressed or implied by such forward-looking information. Those risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information include, but are not limited to: general state of the economy; competition in the industry; ability to attract and retain professionals; commercial real estate market; integration of acquisitions; oil and gas sector; Canadian multi-residential market; customer concentration; currency risk; interest rate risk; reliance on larger software transactions with longer and less predictable sales cycles; success of new product introductions; ability to respond to technological change and develop products on a timely basis; ability to maintain profitability and manage growth; revenue and cash flow volatility; credit risk; protection of intellectual property or defending against claims of intellectual property rights of others; weather; fixed-price and contingency engagements; operating risks; performance of obligations/maintenance of client satisfaction; appraisal mandates; information technology governance and security; legislative and regulatory changes; risk of future legal proceedings; insurance limits; income tax matters; ability to meet solvency requirements to pay dividends; leverage and restrictive covenants; unpredictability and volatility of common share price; capital investment; and issuance of additional common shares diluting existing shareholders' interests, as well as those described in our publicly filed documents, including the Management's Discussion and Analysis for the year ended December 31, 2013 (which are available on SEDAR at www.sedar.com).

Given these risks, uncertainties and other factors, investors should not place undue reliance on forward-looking information as a prediction of actual results. The forward-looking information reflects management's current expectations and beliefs regarding future events and operating performance and is based on information currently available to management. Although we have attempted to identify important factors that could cause actual results to differ materially from the forward-looking information contained herein, there are other factors that could cause results not to be as anticipated, estimated or intended. The forward-looking information contained herein is current as of the date of this AIF and, except as required under applicable law, we do not undertake to update or revise it to reflect new events or circumstances. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Altus Group, our financial or operating results, or our securities.

2. CORPORATE STRUCTURE

Name, Address and Incorporation

Altus Group is governed by the *Business Corporations Act* (Ontario) (the "**OBCA**") pursuant to Articles of Arrangement dated January 1, 2011. The head and registered office of the Company is located at 33 Yonge Street, Suite 500, Toronto, Ontario, Canada M5E 1G4.

Altus Group Income Fund (the "**Fund**"), the predecessor to the Company, was an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario. On January 1, 2011, the Fund completed a conversion by way of a plan of arrangement (the "**Arrangement**") under the OBCA, involving, among others, the Fund and its historical subsidiaries. As a result of the Arrangement and related transactions, the Company now owns and operates, directly and indirectly, the businesses which were owned and operated by the Fund and its subsidiaries prior to the completion of the Arrangement. Upon completion of the Arrangement on January 1, 2011, each of the Fund, the Trust and Altus LP were wound up and dissolved. See "General Development of Altus Group – Conversion of the Fund to a Corporation".

Intercorporate Relationships

The following is a list of the principal subsidiaries of Altus Group as at December 31, 2013 (including jurisdictions of establishment/incorporation).

The list shows the percentages of the votes attached to all voting securities of each of the subsidiaries owned by Altus Group or over which control or direction is exercised by Altus Group.

There are certain subsidiaries not shown that each represent less than 10% of the Company's total consolidated revenues and total consolidated assets (although not all subsidiaries shown necessarily each represent more than 10% of total consolidated assets and total consolidated revenues) and, if considered in the aggregate as a single subsidiary, represent less than 20% of total consolidated revenues and total consolidated assets.

Subsidiary	Voting Securities	Jurisdiction of Incorporation
Altus Group Asia Pacific Limited	100%	Ontario
Altus Group Australia Pty Limited	100%	Australia
Altus Group Consulting Pty Limited	100%	Australia
Altus Group Cost Management Pty Limited	100%	Australia
Page Kirkland Queensland Pty Limited	100%	Australia
Altus Group (Hong Kong) Limited	100%	Hong Kong
Altus Construction Consultancy (Shanghai) Limited	100%	China
Altus Group (UK) Limited	100%	United Kingdom
Altus UK LLP	100%	United Kingdom
Altus Group U.S. Inc.	100%	Delaware
Realm Solutions, Inc.	100%	Delaware
ARGUS Software, Inc.	100%	Delaware
ARGUS Software (Asia) Pte. Ltd.	100%	Singapore
ARGUS Software (UK) Limited	100%	United Kingdom
ARGUS Software (Oceanic) Pty Limited	100%	Australia
Altus Geomatics General Partner Corporation	49% - Note 1	Alberta
Altus Geomatics Limited Partnership	99.9% - Note 2	Alberta
Altus Group Tax Consulting Paralegal Professional Corporation	Note 3	Ontario
Altus Geomatics Land Surveying BC Limited	Note 4	British Columbia
Altus Geomatics (Manitoba) Professional Land Surveyors	Note 5	Manitoba

Notes:

1. Two land surveyors, who are employees of Altus Geomatics Limited Partnership and registered with the Alberta Land Surveyors' Association, own 51% of the shares.
2. Altus Geomatics General Partner Corporation holds a 0.01% limited partnership interest in Altus Geomatics Limited Partnership.
3. Altus Group Tax Consulting Paralegal Professional Corporation was formed in compliance with the regulations of the Law Society of Upper Canada (as defined in the *Law Society Act*). The Property Tax Consulting practice in Ontario is organized as a separate professional corporation to comply with the rules and regulations of the *Law Society Act*.
4. Altus Geomatics Land Surveying BC Limited was formed in compliance with the regulations of the Association of British Columbia Land Surveyors.
5. Altus Geomatics (Manitoba) Professional Land Surveyors was formed in compliance with the regulations of the Association of Manitoba Land Surveyors.

3. GENERAL DEVELOPMENT OF ALTUS GROUP

Over the last three years, we have pursued our business strategies and actions to achieve our vision of becoming the leading provider of independent real estate consulting services and real estate software applications and data solutions that generate a wealth of knowledge and insight.

Our Business Strategy

We will continue to focus on strategic and operational improvements for better results in each of our businesses. We will also focus on three key strategic initiatives, which are as follows:

- Grow our global asset and investment management businesses.
- Expand our Property Tax Consulting services in the US and globally.
- Bring to market composite products and grow our current capabilities across every business unit.

1. Grow Global Asset and Investment Management

   Our expertise in valuation and advisory, software and data offerings are tailored to meet the needs of the global asset and investment management ("GAIM") marketplace. We are more closely combining our North America RVA and ARGUS Software businesses under the banner of GAIM in order to offer our global clients a range of solutions and advice in the increasingly important management of the complex and changing real estate environment. Our intelligence platform provides clients with tools to facilitate aggregation, analysis, exchange and re-purposing of data that empower their decision-making processes. With additional functionality, these products become more comprehensive in scope and generate multi-phase relationships with our clients that produce longer-term engagements, new product offerings and opportunities for more sustainable growth. These products are expected to result in an increased market penetration and additional opportunities to add value for our clients. This is expected to increase our differentiation as we grow our markets in Europe and Asia directly with our customers and alliance partners.

2. Expand Property Tax Consulting in the US and Globally

   Our strategic investments in US tax services continue to generate positive returns. The US market offers significant growth opportunities for our services as our current penetration is relatively modest. We intend to increase our presence in the US, which we may do organically or by acquisition, seeking disciplined, profitable growth. In addition, the UK remains an attractive market for tax services and we will be opportunistic with any further investments.

3. Bring to Market Composite Products

   Another strategic growth opportunity for us is in the development of composite products. Our specialized services from across several business lines including Cost, RVA, Property Tax and Geomatics can be combined in a fashion to deliver unique service offerings and compelling value propositions to our clients. This strategy leads to improved cross-selling and recurring organic revenue growth. One such example is the TransCanada Energy East right of way project in which combined services from several of these business units have been brought together under one engagement to help the client assess pipeline access routes in the most cost efficient manner. We are taking similar composite product approaches for large global industrial companies, where we can combine our expertise in valuation, tax, and cost in order to assist clients with cost planning, refurbishment, and lower operating cost strategies. Our goal is to increase the scope of these products in the future, combining services, data and software from each of our business units.

Recent Developments in our Business

We have completed a number of acquisitions, dispositions, financings and securities transactions in the last three years, including those listed below.

Acquisitions/Dispositions

The key characteristics of our acquisitions and dispositions over the past three years are summarized in the following table:

Entity	Acquisition/Disposition	Key Characteristics
Realm Solutions, Inc., owner of ARGUS Software (2011)	Acquisition	Expanded our business offerings to include software and solutions for analysis and management of commercial real estate investments
Altus Group Capital Planning (2012)	Disposition	Allowed us to focus on our core Cost segment operations
Altus Residential Limited (2013)	Disposition	We traded our investment in Altus Residential Limited for further shares of Real Matters, Inc. This increased our shareholding in Real Matters, Inc. to 25%

Entity	Acquisition/Disposition	Key Characteristics
Complex Property Advisors, Corporation (2013)	Acquisition	Expanded our Property Tax Consulting services in the US to include large healthcare clients
Real Matters, Inc. (2013)	Disposition	Netted us $2,605,000 while still retaining an 18% interest in Real Matters, Inc.

Conversion of the Fund to a Corporation

On November 8, 2010, the Fund filed a management information circular outlining its proposal to convert from an income trust structure to a corporate structure pursuant to the Arrangement under the OBCA involving, among others, the Fund and its historical subsidiaries.

On December 8, 2010, the Arrangement was approved by Unitholders and Special Voting Unitholders at a special meeting of the Fund. On December 10, 2010, the Arrangement was approved by the Ontario Superior Court of Justice allowing for the conversion of the income trust into a corporation, effective January 1, 2011. On January 1, 2011, Unitholders and holders of Class B LP Units each received one Common Share for each Unit or Class B LP Unit, as applicable, held on the effective date. Following completion of the Arrangement, the Fund, the Trust and Altus LP were each dissolved. Effective on the closing of the Arrangement and related transactions, the Company now owns and operates, directly and indirectly, the businesses which were previously owned and operated by the Fund and its subsidiaries. In addition, the management and trustees of the Fund became the management and directors of the Company.

Financing and Credit Facilities – 2011

As a result of the Arrangement, the Company amended its Credit Facilities effective January 1, 2011. The amended Credit Facilities have a revised maturity date of December 31, 2015. The Revolving Operating Facility limit was increased from $12.5 million to $20.0 million. The Revolving Term Facility limit was increased from $97.9 million to $110.0 million, with certain provisions that allow the Company to increase the limit further to $150.0 million. Further amendments were made to the Credit Facilities effective June 1, 2011 in connection with the ARGUS acquisition. While the Revolving Term Facility limit remained unchanged at $110.0 million, certain amendments were made that allowed the Company to increase the limit further to $160.0 million. A Non-revolving Reducing Term Facility of $40.0 million was also established in order to finance the ARGUS acquisition.

Amendment of Financing and Credit Facilities – 2012

Effective October 31, 2012, the Company amended its Credit Facilities whereby the then outstanding balance of $29.7 million under the Non-revolving Reducing Term Facility was deemed to be an obligation under the Revolving Term Facility. Thus, the Revolving Term Facility limit increased from $110.0 million to $139.7 million, and may be further increased to $189.7 million at our option pursuant to the terms and conditions of the amendment.

US Convertible Debentures
On June 1, 2011, as part of the consideration for the ARGUS acquisition, the Company issued the US convertible debentures, in the aggregate principal amount of US$49.4 million and which have a maturity date of June 1, 2014 (the **"US Convertible Debentures"**).

During the second quarter of 2012, the Company used the net proceeds from the 2012 Canadian Convertible Debentures to acquire and cancel the outstanding US Convertible Debentures for a purchase price of $45.7 million (US$46.0 million), excluding transaction costs.

2012 Canadian Convertible Debentures
On April 19, 2012, the Company completed the issuance of $48.0 million Canadian convertible unsecured subordinated debentures (the "**2012 Canadian Convertible Debentures**") with a maturity date of June 30, 2017. The 2012 Canadian Convertible Debentures bear interest at a rate of 6.75% per annum, and are payable semi-annually on June 30 and December 31 each year.

Dividend Reinvestment Plan
In 2013, Altus Group instituted a DRIP for eligible holders of Common Shares, pursuant to which Shareholders can elect to reinvest cash distributions into additional Common Shares at a price equal to 96% of the weighted average closing price of the Common Shares on the TSX for the five trading days immediately preceding the applicable date of distribution.

Altus Group Becomes the First RICS Regulated Firm Worldwide.
Effective July 2013, Altus Group became the first company to be globally regulated by the Royal Institution of Chartered Surveyors ("RICS"), the world's leading qualification for professional standards in land, property and construction. As the first designation of its kind, this global regulation brings together two independent leaders in real estate. This is a commitment to the highest international standards of professionalism and ethics – and demonstrates that Altus Group is open to and embraces independent regulatory scrutiny. Achieving and maintaining RICS Regulated Firm status is a clear market differentiation, at a time when a growing number of clients and governments around the world are demanding a higher level of quality assurance. This designation reinforces our commitment to leading the industry on an international scale.

2013 Equity Issuance
On October 31, 2013, Altus Group completed an offering of Common Shares. In aggregate, 3,507,500 Common Shares in the capital of the Company were issued, at a price of $13.15 per common share, for total gross proceeds of $46,123,625. Substantially all of the net proceeds from the Offering were used for the repayment of debt, with the remaining balance for general corporate purposes, including our growth strategy.

4. BUSINESS OF ALTUS GROUP

Overview

Altus Group is a leading provider of independent commercial real estate consulting and advisory services, software and data solutions. We operate five Business Units, bringing together years of experience and a broad range of expertise into one comprehensive platform: Research, Valuation and Advisory ("**RVA**"); ARGUS Software ("**ARGUS Software**"); Property Tax Consulting ("**Property Tax**");

Cost Consulting and Project Management ("**Cost**") and Geomatics ("**Geomatics**"). Our suite of services and software enables clients to analyze, gain insight and recognize value on their real estate investments.

Altus Group has over 1,800 employees in multiple offices around the world, including Canada, the United States (the "**US**"), the United Kingdom (the "**UK**"), Australia and Asia Pacific ("**Asia Pacific**"). Our clients include financial institutions, private and public investment funds, insurance companies, accounting firms, public real estate organizations, real estate investment trusts, healthcare institutions, industrial companies, foreign and domestic private investors, real estate developers, governmental institutions and firms in the oil and gas sector.

Geographic Coverage

Revenue Contribution by Geography

Altus Group revenue is geographically disbursed as follows:

	Year Ended December 31, 2013 *($,000)*	Year Ended December 31, 2012 *($,000)*
Canada	210,003	219,160
US	62,309	41,917
UK	30,449	28,765
Asia Pacific	21,688	32,757
Total	324,449	322,599

Principal Services

RVA

The valuation of office, retail, industrial and multi-residential properties occurs regularly in the real estate industry as a result of acquisitions, dispositions, new financings, covenants in existing financings, expropriation and/or litigation, IFRS requirements and general portfolio management. Research is central to the valuation process and research-based product offerings are becoming significant complements to our service portfolio. RVA offers database management, analysis of lease and sale transaction data and provision of customized services, such as impact analysis of mergers on office space demand, consolidation of tenant rosters and lease expiry schedules, feasibility analyses, occupancy strategies, asset benchmarking and vacancy forecasts. In the US, our appraisal management process, combined with our proprietary technology (DataBridge and DataExchange), allows us to track a number of appraisal parameters and assumptions across a broad range of properties giving us the ability to provide clients with peer benchmark data and independent advice; a key differentiator in the marketplace.

RVA operates in Canada, the US and the UK.

ARGUS Software

ARGUS Software offers software and solutions for analysis and management of commercial real estate investments. ARGUS Software has a global client base, consisting of over 90,000 users, and has been dedicated to providing solutions to the commercial real estate industry for over 25 years. Our clients depend on ARGUS Software to support critical business processes and decisions, including real estate asset management, valuation, portfolio management, budgeting, forecasting, reporting and lease management solutions.

ARGUS Software operates in the US, Canada, the UK, and Asia Pacific.

Property Tax

Property tax is typically the largest cost in property ownership after debt-service. Property tax regimes vary significantly between provincial, state and local jurisdictions. Given the magnitude and complexity of this expense, property managers and owners are increasingly seeking professional expertise to manage and help reduce operating costs across multiple jurisdictions. Property Tax provides a full spectrum of real estate tax consulting services in North America and the UK, including assessment appeal (expert witness services), tax due diligence, vacancy rebate counsel, new construction/preliminary property assessment studies, as well as on-going property tax management and budgeting.

Property Tax operates in Canada, the US and the UK.

Cost

Reliable cost consulting is integral to the financial success of capital development projects. Given the significant fluctuation in construction and development costs, property developers, lenders and owners rely on Cost specialists to obtain the most efficient cost structure for their property development and infrastructure projects and to understand and manage the risks associated with the development cost side of real estate. In addition, within the Cost group, services such as physical condition assessments, reserve fund studies and risk management support the stakeholders in feasibility studies.

Cost operates in Canada, the US, the UK and Asia Pacific.

Geomatics

Geomatics is the practice of recording and managing spatially referenced information, including land surveying, geographic information systems (GIS), global positioning systems (GPS) and light detection and ranging (LIDAR). Land surveys and geomatics services are fundamental to the ownership and management of land: setting property boundaries, confirming route and corridor selection, land settlement surveys, mapping, construction and well site surveys, and oilfield surveys. This team of professionals, based in Western Canada, is engaged primarily in exploration and development activity in the oil and gas sector, as well as in pipeline and utility corridors, land development and municipal sectors.

Geomatics operates in Canada.

Revenue Contribution by Segment

Set out below is a comparison of Altus Group's revenue, as reported by operational segment:

	Year Ended December 31, 2013 *($,000)*	Year Ended December 31, 2012 *($,000)*
Property Tax:		
North American Property Tax	63,867	53,123
UK	23,676	22,739
Global Asset and Investment Management:		
North America RVA	77,388	70,585
ARGUS Software	38,917	30,138
North America Geomatics	70,760	71,788
Cost Consulting and Project Management:		
North America Cost	30,243	44,308
Asia Pacific Cost	19,948	30,916
Eliminations	(350)	(998)
Total	324,449	322,599

Competitive Conditions

Competitive Strengths

We are a leading provider of independent commercial real estate consulting and advisory services, software and data solutions. The expertise and independence of our professional employees, the breadth and depth of services, software and data solutions and our global footprint combine to provide a significant competitive advantage that allows us to meet our clients' needs for a range of services sourced from a single provider. These capabilities are particularly important for larger clients, such as banks, pension funds, property development companies, insurance companies and public real estate investors.

Uniting the five main practice areas under the umbrella of one organization has positioned us to attract large clients who require multiple professional services to address the needs of their real estate and development portfolios. We believe that the ability to provide common reporting and consistency in approach on an international basis will continue to attract new clients.

Industry, Market and Asset-Specific Knowledge

In those markets in which we have chosen to operate, we possess extensive industry, market and asset-specific knowledge as a result of our broad range of experience and access to multiple information databases. We have a critical mass of professionals which allows for increased specialization within our practice areas. The knowledge we have amassed has positioned us to provide expert advice with respect to a wide variety of properties. In addition, having advised and compiled information on many of the most significant properties in various urban centres, we have developed an in-depth knowledge of these properties and are often retained to provide a variety of services over their life-cycle.

Competition
Altus Group faces competition from four main sources:

- *Local or regional firms offering professional real estate or land-based services* — these firms tend to be smaller in size than our Company and compete on projects where the real property is geographically proximate.
- *Brokerages* — these firms have a national and international base and compete with us for larger clients with multi-jurisdictional and multi-service professional real estate service needs.
- *Accounting and Engineering firms* — these firms have a national and international base and compete with us for larger clients with multi-jurisdictional and multi-service professional real estate service requirements.
- *Software Providers* – these firms compete with us in respect of real estate asset management, valuation, budgeting, forecasting, reporting and lease management solutions.

Employees

As a professional services and software provider, our employees are our most valuable asset. In order to fulfill our objective of being a leading provider of independent professional real estate services, we are dependent on being able to attract, retain and motivate qualified individuals who can provide the level of service our clients expect.

Altus Group has been successful in attracting and retaining talented professional staff due to its position as an industry leader. This gives us the ability to offer the opportunity for professionals to develop a broad and unique skill set through participation in a diversity of projects, practice areas and high profile assignments.

Our professionals are trained in a variety of academic and professional backgrounds, including business administration, design, various engineering disciplines, land surveying, quantity surveying, economics, computer science, forestry and land-use, and appraisal.

Regulations
The professional associations to which our employees belong regulate membership, set professional standards and provide oversight. They have the authority to censure or expel members who do not abide by their codes of conduct.

Intangible Property

Trademarks
We believe that the trademark “Altus” and “Altus Group” enjoy significant brand recognition within the professional real estate services industry.

We believe that the trademark "ARGUS" and its software product trade names enjoy significant brand recognition within the commercial real estate industry. ARGUS is recognized as the industry standard in providing software solutions for managing and growing a commercial real estate portfolio.

Proprietary Software
We believe that Altus Group's information technology is a critical component of its success.

We have internally developed software customized to our practice areas. We have taken a proactive approach to identify areas where we can improve our technology in order to better serve our clients. Clients increasingly rely on information technology to manage complex real property portfolios and property development and that respond more quickly to informational needs.

Our RVA experts have developed proprietary software that delivers automated valuations primarily for single family residential properties using internet based or desktop delivery systems, called VALeRI. The technology allows a user to obtain an estimate of value and the associated variables, along with an explanation, on an almost real time basis. We are a leading provider of technology-based assessment solutions for local governments in Québec. The application of VALeRI has been extended into the residential mortgage market for use by real estate agents, and is being used to create the Canadian house pricing index.

Our RVA team has developed standardized reporting by property type so that reporting, both internally and externally to clients, is done on a consistent basis regardless of the regional office or offices that perform the services. RVA also provides customized reporting solutions for our clients so that they are able to receive consistent reporting regardless of who produces the report or where our clients' assets are geographically located.

Property Tax relies on its information systems in Canada, the US and the UK to manage property tax appeal processes. Through these systems, Property Tax is able to make an assessment of the property tax applicable to a particular property or portfolio of properties. This practice area has recently developed innovative technology integrating geographical information systems and statistical tools.

5. RISK FACTORS

KEY FACTORS AFFECTING THE BUSINESS

The risks and uncertainties that could significantly affect our financial condition and future results of operations are summarized below:

General state of the economy
The businesses operated by us are affected by general economic conditions, including international, national, regional and local economic conditions, all of which are outside of our control. Economic slowdowns or downturns, adverse economic conditions, cyclical trends, increases in interest rates, variations in currency exchange rates, reduced client spending and other factors could have a material adverse effect on our business, financial condition and results of operations. Although our operations are functionally and geographically diversified, significant erosion in levels of activity in any segment in which we operate could have a negative impact on our business, financial condition and results of operations.

Competition in the industry
We face competition from other service and software providers. Competition for our professional services includes a broad mix of competitors, ranging from smaller, locally-based professional service firms to

national, multi-regional professional service providers and to large engineering and accounting firms. Software providers also compete with us in respect of real estate asset management, valuation, budgeting, forecasting, reporting and lease management solutions. These competitive forces could result in a material adverse effect on our business, financial condition and results of operations by reducing our relative share in the markets we serve.

Ability to attract and retain professionals

Our success and ability to grow are dependent on the expertise, experience and efforts of our professionals. Competition for employees with the qualifications we desire is intense, which puts upward pressure on compensation costs. We expect that competition for qualified professionals will continue to increase, thereby causing compensation costs to escalate. Should we be unable to attract and retain professionals that meet the desired level of skills and ability, our business may be jeopardized.

Commercial real estate market

The businesses operated by us are affected by the state of the commercial real estate market. Economic slowdowns in this market could result in fewer appraisals, cost assignments and license sales. This could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Integration of acquisitions

We intend to make acquisitions from time to time as part of our strategy to grow our business. Acquisitions may increase the size of our operations, as well as increase the amount of indebtedness that we may have to service. There is no assurance that we will be able to acquire operations on satisfactory terms. The successful integration and management of acquired businesses involve numerous risks and there is no assurance that we will be able to successfully integrate our acquisitions. Such failure could adversely affect our business, financial condition and results of operations.

Oil and gas sector

The land survey practice of Geomatics operates primarily in the oil and gas industry in Alberta. The risks to the outlook for the land survey practice in Alberta arise from world markets for oil and gas. Historically, the prices for oil and gas have been volatile and subject to wide fluctuations in response to changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond our control. We cannot predict future oil and gas price movements. If oil and gas prices decline significantly, there could be a material adverse effect on our business, financial condition, liquidity and operating results.

Canadian multi-residential market

Approximately 53% of the Canadian Cost practice area’s annual revenues are derived from the rental apartment and condominium sectors of the multi-residential development market. Any significant decline in the multi-unit residential development market could have a material adverse effect on our business, financial condition, liquidity and operating results.

Customer concentration

Although we are not dependent on one or a small number of clients, certain of our business segments have a few clients with whom they have multiple contracts.

Currency risk

Our reporting currency is the Canadian Dollar.

We have operations in Canada, the UK, the US, Australia and various countries throughout Asia. Our exposure to foreign currency risk is primarily in the following areas:

- Profit (loss) generated by operations in foreign countries, which are translated into Canadian Dollars using the average exchange rate;
- Net assets of foreign subsidiaries, which are translated into Canadian Dollars using the period end exchange rate with any gains or losses recorded under Accumulated Other Comprehensive Income (Loss) within shareholders' equity; and,
- Non-Canadian Dollar denominated monetary assets and liabilities, which are translated into Canadian Dollars using the period end exchange rate with any gains or losses recorded through profit or loss.

The exchange rate between the Canadian Dollar and the US Dollar ranged from $0.9949 at December 31, 2012 to $1.0639 at December 31, 2013. The exchange rate between the Canadian Dollar and the British Pound ranged from $1.6104 at December 31, 2012 to $1.7575 at December 31, 2013. The exchange rate between the Canadian Dollar and the Australian Dollar ranged from $1.0330 at December 31, 2012 to $0.9495 at December 31, 2013.

Interest rate risk
We are exposed to fluctuations in interest rates under our borrowings. Increases in interest rates may have an adverse effect on our earnings.

Reliance on larger software transactions with longer and less predictable sales cycles
The ability to meet revenue targets for ARGUS Software is becoming more dependent on larger transactions which have longer sales cycles. The presence or absence of one or more of these transactions may have a material positive or negative effect on anticipated revenue in any given period.

Success of new product introductions
As new ARGUS Software products are developed and introduced to the marketplace, client adoption may not achieve anticipated levels. As a result, revenue projections may not be achieved. If cash flows from new products do not reach sufficient levels, asset impairments may need to be taken on any capitalized costs related to the development of the products.

Ability to respond to technological change and develop products on a timely basis
Our ability to generate future revenues from software is dependent upon meeting the changing needs of the market and evolving industry standards through new product introductions and product enhancements. In order to maintain or enhance product market share over the long-term, it is imperative to anticipate and develop products that meet client and industry needs. In the short to medium term, the ability to complete product developments on a timely basis is important to achieving revenue and cost targets.

Ability to maintain profitability and manage growth
Our ability to achieve revenue growth and sustain profitability in future periods depends on our ability to execute our strategic plan and effectively manage our growth. A failure to do so could have a material adverse effect on our business, financial condition and results of operations.

Revenue and cash flow volatility

Our revenue, cash flow, operating results and profitability may experience fluctuations from quarter to quarter, based on project terms and conditions for billing and rendering of services.

Credit risk

We may be materially and adversely affected if the collectability of our trade receivables is impaired for any reason. In certain parts of Asia, it is often common business practice to pay invoices over an extended period of time and/or at the completion of the project. This practice increases the risk and likelihood of future bad debts. In addition, the risk of non-collection of trade receivables is greater in Asia Pacific compared to North American or European countries.

Protection of intellectual property or defending against claims of intellectual property rights of others

We rely on protecting our intellectual property rights including patents, copyrights, trademarks, trade secrets, databases and methodologies, which have been important factors in maintaining our competitive position. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to obtain and use information that we regard as proprietary. There can be no assurance that we will be successful in protecting our proprietary rights and, if we are not, our business, financial condition, liquidity and results of operations could be materially adversely affected. Additionally, we may be subject to claims by third parties regarding technology infringement. Responding to such claims could result in substantial expense and may result in damages or injunctive relief. We may also be required to indemnify customers pursuant to our indemnification obligations, enter into licensing agreements on unfavourable terms or redesign or stop selling affected products, which could materially disrupt the conduct of our business.

Weather

The level of activity in the oilfield services industry and natural resources industry are influenced by seasonal weather patterns and natural or other disasters, such as floods and forest fires. Spring break-up during the second quarter leaves many secondary roads temporarily incapable of supporting the weight of field equipment, which results in severe restrictions in the provision of field work for Geomatics' survey services and land-use consulting. The timing and duration of spring break-up are dependent on regional weather patterns but generally occur in April and May.

The demand for survey services and forestry and land-use services may also be affected by the severity of Canadian winters and excessively rainy periods, thereby adversely affecting operations. The uncertainty of weather and temperature can therefore create unpredictability in activity and utilization rates.

Fixed-price and contingency engagements

A portion of our revenues comes from fixed price engagements. A fixed price engagement requires us to either perform all or a specified part of work under the engagement for a specified lump sum payment. Fixed price engagements expose us to a number of risks not inherent in cost-plus engagements, including underestimation of costs, ambiguities in specifications, unforeseen or changed costs or difficulties, problems with new technologies, delays beyond our control, failures of subcontractors to perform and economic or other changes that may occur during the term of engagement. Increasing reliance on fixed price engagements and/or increases in the size of such engagements would increase the exposure to this risk. Economic loss under fixed price engagements could have a material adverse effect on our business.

We are also engaged to provide services on a contingency basis, meaning that we receive our fees only if certain results are achieved. We may experience adverse financial effects from having devoted certain professional and other resources to a project, which, due to a failure to meet the contingency goals, are not recouped through fees.

Operating risks

Our professionals are sometimes required to attend client worksites, including construction worksites in the case of the Cost practice area. The activities at these worksites may involve certain operating hazards that can result in personal injury and loss of life. There can be no assurance that our insurance will be sufficient or effective under all circumstances or against all claims or hazards to which we may be subject or that we will be able to continue to obtain adequate insurance protection. A successful claim or damage resulting from a hazard for which it is not fully insured could adversely affect our results of operations.

Performance of obligations/maintenance of client satisfaction

Our success depends largely on our ability to fulfill obligations and ensure client satisfaction. If we fail to satisfactorily perform our obligations, address performance issues or make professional errors in the services that we provide, clients could terminate projects, thereby exposing us to legal liability, loss of professional reputation, enhanced risk of loss and/or reduced profits.

Appraisal mandates

Some clients rotate their appraisal mandates to different service providers. As a result, we may be rotated out of an appraisal engagement.

Information technology governance and security

Our business has client data and information, including proprietary information, which may be processed and stored on our networks. Digital information and equipment is subject to loss, theft or destruction, and services that we provide may become temporarily unavailable as a result thereof or due to a system or equipment malfunction. Failures can arise from human error in the course of normal operations, maintenance and upgrading activities, or from hacking, vandalism (including denial of service attacks and computer viruses), theft and unauthorized access by third parties, as well as from power outages or surges, floods, fires, natural disasters or from any other causes. The measures that we take to protect information and software, including both physical and logical controls on access to premises, information and backup systems may prove in some circumstances to be inadequate to prevent the loss, theft or destruction of client information or service interruptions. Such failure could result in a loss of professional reputation and adversely affect our business, financial condition and results of operations.

Legislative and regulatory changes

Changes to any of the laws, rules, regulations or policies affecting our business would have an impact on our business. Certain elements of our business are influenced by the regulatory environment of our clients, such as the requirement for pension fund managers to obtain property valuations on an annual basis. In addition, elements of our business, such as our Property Tax practice area, are significantly influenced by the regulatory regime and any changes thereto. Any change to laws, rules, regulations or policies may significantly and adversely affect our operations and financial performance.

Risk of future legal proceedings

We are threatened from time to time with, or are named as a defendant in, or may become subject to various legal proceedings in the ordinary course of conducting our business, including lawsuits based upon professional errors and omissions. A significant judgment against us, or the imposition of a significant fine or penalty as a result of a finding that we have failed to comply with laws, regulations, contractual obligations or other arrangements or professional standards, could have a significant adverse impact on our financial performance. Should any indemnities made in our favor in respect of certain assignments fail to be respected or enforced, we may suffer material adverse financial effects.

Insurance limits
Management believes that our professional errors and omissions insurance coverage and directors' and officer' liability insurance coverage address all material insurable risks, provide coverage that is similar to that which would be maintained by a prudent operator of a similar business and are subject to deductibles, limits and exclusions, which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on an economically affordable basis, that all events that could give rise to a loss or liability are insurable or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving our assets or operations.

Income tax matters
In the ordinary course of business, we may be subject to audits by tax authorities. While management anticipates that our tax filing positions will be appropriate and supportable, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the authorities. If such challenge were to succeed, it could have a material adverse effect on our tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, and the administrative policies and assessing practices of tax authorities, could materially adversely affect our tax position.

Ability to meet solvency requirements to pay dividends
Our ability to pay dividends is dependent on our operations and assets, and is subject to various factors including our financial performance, our obligations under applicable bank credit facilities, fluctuations in our working capital, the sustainability of our margins and our capital expenditure requirements.

Leverage and restrictive covenants
Our ability to pay dividends or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing any indebtedness owed by us or our subsidiaries (including the bank credit facilities). The degree to which we are leveraged could have important consequences to our shareholders. For example, our ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; a significant portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing funds available for future operations; certain of our borrowings will be subject to variable rates of interests, which exposes us to the risk of increased interest rates; and we may be more vulnerable to economic downturns and be limited in our ability to withstand competitor pressures.

The bank credit facilities contain numerous restrictive covenants that limit the discretion of our management with respect to certain business matters. These covenants place significant restrictions on, among other things, our ability to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the bank credit facilities contain a number of financial covenants that require us to meet certain financial ratios and financial condition tests. Failure to comply with the obligations provided in the bank credit facilities could result in a default which, if not cured or waived, could result in the termination of dividends paid by us and accelerate the repayment of the relevant indebtedness. If repayments of indebtedness under the bank credit facilities were to be accelerated, there can be no assurance that our assets would be sufficient to repay the relevant indebtedness in full. In addition, the bank credit facilities will mature in 2015. There can be no assurance that future borrowings or equity financing will be available to us or available on acceptable terms, in an amount sufficient to fund our needs. If we are unable to obtain financing on the expiration of the bank credit facilities or are unable to obtain financing on favourable terms, our ability to pay dividends may be adversely affected.

Unpredictability and volatility of common share price
Our common shares do not necessarily trade at prices determined by reference to the underlying value of our business and cannot be predicted. The market price of the common shares may be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, securities markets have experienced significant price and volume fluctuations from time to time in recent years that are often unrelated or disproportionately related to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of our common shares.

Capital investment
The timing and amount of capital expenditures made by us or any of our subsidiaries indirectly affects the amount of cash available for the payment of dividends to shareholders. Dividends may be reduced, or even eliminated, at times when we deem it necessary to make significant capital or other expenditures.

Issuance of additional common shares diluting existing shareholders' interests
We are authorized to issue an unlimited number of common shares for such consideration and on such terms and conditions as shall be determined by the Board of Directors without shareholder approval, except as required by the TSX. In addition, we may, at our option, satisfy our obligations with respect to interest payable on, and the repayment of the face value of, the Canadian convertible debentures through the issuance of common shares.

6. DIVIDENDS

The following table sets out the dividends on the Common Shares declared by the Company during 2011, 2012 and 2013.

Record Date	Total Dividends per Common Share		
	2011	2012	2013
March 31	$0.30	$0.15	$0.15
June 30	$0.15	$0.15	$0.15
September 30	$0.15	$0.15	$0.15
December 31	$0.15	$0.15	$0.15
Total	$0.75	$0.60	$0.60

Altus Group's policy is to pay a quarterly dividend to Shareholders as determined by the Board from time to time. Altus Group's dividend policy is subject to the discretion of the Board and may vary depending on, among other things, Altus Group's earnings, financial requirements, the satisfaction of certain customary covenants contained in Credit Facilities documents restricting the ability to pay dividends in certain circumstances, and/or the satisfaction of solvency tests imposed by the OBCA for the declaration of dividends.

Shareholders who are non-residents of Canada will be paid their dividends net of withholding taxes. Non-residents should consult their own tax advisors regarding the tax consequences of investing in Altus Group's Common Shares.

7. CAPITAL STRUCTURE OF ALTUS GROUP

The authorized capital of Altus Group consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series. As at December 31, 2013, Altus Group had 28,520,127 Common Shares and no Preferred Shares issued and outstanding. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares, Preferred Shares, 2010 Canadian Convertible Debentures and 2012 Canadian Convertible Debentures.

Common Shares

Holders of Common Shares are entitled to one vote per share at meetings of Shareholders of Altus Group, to receive dividends if as and when declared by the Board and to receive a pro-rata share of the remaining property and assets of Altus Group upon its dissolution or winding-up, subject to the rights of shares having priority over the Common Shares.

Preferred Shares

Our Preferred Shares may be issued in one or more series with each series to consist of such number of shares and to have such rights, privileges, restrictions and conditions as determined by the Board before the issuance thereof. Holders of Preferred Shares, except as required by law, are not entitled to vote at meetings of Shareholders of Altus Group. The Preferred Shares rank ahead of the Common Shares and any other shares ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Altus Group, whether voluntary or involuntary, and may also be given such other preferences over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of any series of Preferred Shares. The Preferred Shares have not been, and may not be, issued as an anti-takeover mechanism.

2010 Canadian Convertible Debentures

On December 1, 2010, the Company completed the issuance of $50.0 million convertible unsecured subordinated debentures with a maturity date of December 31, 2017 (the "**2010 Canadian Convertible Debentures**"). The 2010 Canadian Convertible Debentures bear interest at a rate of 5.75% per annum, and are payable semi-annually on June 30 and December 31 each year.

The 2010 Canadian Convertible Debentures are convertible into Common Shares at the option of the holder at a conversion price of $18.60 per Common Share at any time after January 3, 2011 and prior to the close of business on the earlier of December 31, 2017 and the business day immediately preceding the date fixed for redemption. On or after December 31, 2013 and prior to December 31, 2015, the 2010 Canadian Convertible Debentures may be redeemed at our option, in whole or in part, at a redemption price equal to the principal amount plus accrued and unpaid interest, provided that the current market price on the date of notice is at least 125% of the conversion price. The current market price is the volume weighted average daily trading price of Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the applicable date. On or after December 31, 2015 and prior to maturity, we may at our option redeem the 2010 Canadian Convertible Debentures, in whole or in part, at a price equal to the principal amount plus accrued and unpaid interest.

On redemption or at maturity, we may, at our option and subject to regulatory approval, elect to satisfy our obligation to pay all or a portion of the principal amount and the accrued and unpaid interest by the issuance of Common Shares. The number of Common Shares to be issued will be determined by dividing the principal amount of the 2010 Canadian Convertible Debentures to be redeemed or repaid at maturity plus accrued and unpaid interest by 95% of the current market price as at the date of redemption or maturity.

Upon the occurrence of a change in control involving the acquisition of voting control or direction of more than 66.67% of the Common Shares, we will be required to make an offer to purchase, within 30 days, following the consummation of the change of control, all of the outstanding 2010 Canadian Convertible Debentures at a price equal to 101% of the principal amount plus accrued and unpaid interest.

The 2010 Canadian Convertible Debentures are issued pursuant to a trust indenture dated December 1, 2010 between Altus Group and BNY Trust Company of Canada, as trustee.

2012 Canadian Convertible Debentures

On April 19, 2012, we completed the issuance of $48.0 million convertible unsecured subordinated debentures with a maturity date of June 30, 2017. The 2012 Canadian Convertible Debentures bear interest at a rate of 6.75% per annum, and are payable semi-annually on June 30 and December 31 each year.

The 2012 Canadian Convertible Debentures are convertible into Common Shares at the option of the holder at a conversion price of $10.00 per Common Share at any time after issuance and prior to the close of business on the earlier of June 30, 2017 and the business day immediately preceding the date fixed for redemption.

On or after June 30, 2015 and prior to June 30, 2017, the 2012 Canadian Convertible Debentures may be redeemed at our option, in whole or in part, at a redemption price equal to the principal amount plus accrued and unpaid interest, provided that the current market price on the date of notice is at least 125% of the conversion price. The current market price is the volume weighted average daily trading price of Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the applicable date or, if no prices are available for that period, the fair value per Common Share as determined by the Board.

On redemption or at maturity, we may, at our option and subject to regulatory approval, elect to satisfy its obligation to pay all or a portion of the principal amount and the accrued and unpaid interest by the issuance of Common Shares. The number of Common Shares to be issued will be determined by dividing the principal amount of the 2012 Canadian Convertible Debentures to be redeemed or repaid at maturity plus accrued and unpaid interest by 95% of the current market price as at the date of redemption or maturity.

Upon the occurrence of a change of control involving the acquisition of voting control or direction of more than 66.67% of the Common Shares, we will be required to make an offer to purchase, within 30 days, all of the outstanding 2012 Canadian Convertible Debentures at a price equal to 101% of the principal amount plus accrued and unpaid interest.

The 2012 Canadian Convertible Debentures are issued pursuant to a trust indenture dated April 19, 2012 between Altus Group and BNY Trust Company of Canada, as trustee.

During 2013, $464,000 of the 2012 Canadian Convertible Debentures were converted to Common Shares.

Information and Reports

We will furnish to Shareholders, in accordance with applicable securities laws, all our financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of tax returns under the Tax Act and equivalent provincial legislation.

The directors and senior officers of the Company and of our subsidiaries are required to file insider reports and comply with insider trading provisions under applicable Canadian securities legislation in respect of trades made by such persons.

8. MARKET FOR SECURITIES

The Common Shares of Altus Group are listed for trading on the TSX under the symbol AIF. The following table sets out the price range and volume traded of the Common Shares on the TSX for each month during 2013.

Month End	High ($)	Low ($)	Volume Traded
January 2013	8.69	8.15	473,117
February 2013	8.50	8.06	252,286
March 2013	8.65	8.10	827,351
April 2013	8.49	7.40	1,260,821
May 2013	8.45	7.84	1,894,653
June 2013	8.40	7.91	381,721
July 2013	9.45	8.05	417,001
August 2013	11.32	9.05	908,427
September 2013	13.72	11.05	2,076,327
October 2013	14.66	12.70	2,517,535
November 2013	16.63	13.22	2,561,202
December 2013	17.03	15.07	1,548,647

The 2010 Canadian Convertible Debentures, issued on December 1, 2010, are listed for trading on the TSX under the symbol AIF.DB. The following table sets out the price range and volume traded of the 2010 Canadian Convertible Debentures on the TSX for each month during 2013.

Month End	High ($)	Low ($)	Volume Traded
January 2013	98.00	91.50	848,000
February 2013	99.01	97.50	727,000
March 2013	98.60	96.50	493,000
April 2013	99.00	97.00	963,000
May 2013	97.75	94.50	696,000
June 2013	94.25	92.50	334,000
July 2013	96.95	93.99	290,000
August 2013	99.25	95.00	1,148,000
September 2013	100.60	98.12	3,649,000
October 2013	101.45	100.00	2,210,000
November 2013	103.30	101.50	1,141,000
December 2013	105.00	102.50	454,000

The 2012 Canadian Convertible Debentures, issued on April 19, 2012, are listed for trading on the TSX under the symbol AIF.DB.A. The following table sets out the price range and volume traded of the 2012 Canadian Convertible Debentures on the TSX for each month during 2013.

Month End	High ($)	Low ($)	Volume Traded
January 2013	105.00	103.00	1,612,000
February 2013	104.40	101.52	840,000
March 2013	103.50	101.66	935,000
April 2013	104.50	102.00	926,000
May 2013	104.00	103.50	294,000
June 2013	103.50	101.00	501,000
July 2013	106.50	101.00	1,273,000
August 2013	114.98	103.00	2,631,000
September 2013	139.25	113.00	9,812,000
October 2013	148.00	132.44	3,281,000
November 2013	166.70	138.50	4,234,000
December 2013	171.25	153.00	645,000

9. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	3,357,667	11.77%

Typically, as a condition of the acquisition agreements we enter into, a portion of the equity consideration paid to vendors is subject to restrictions on transfer for a specific period following closing of the transaction. In addition, certain of our employees acquired Common Shares pursuant to an employee purchase plan designed to encourage employees to invest in Altus Group and to encourage employee retention and share ownership. Our employee purchase plan required that such Common Shares be held in escrow and could only be released to the employees if certain employment obligations were met. Our Company introduced a new employee incentive equity plan in early 2013 comprised of a restricted share plan in Canada and a restricted share unit plan outside of Canada, which will reward employee performance and restrict the transfer of awarded Common Shares for a period of three years from the date of grant.

In 2013, the Company introduced the new Employee Equity Plan ("EEP"). With the introduction of the EEP, our Company is of the view that the restrictions on transfer of vendors' Common Shares and employees' Common Shares held in escrow are now redundant. Accordingly, commencing in 2013 and ending in 2015, with respect to (i) vendors' Common Shares subject to restriction on transfer in cases where vendors have satisfied any obligations regarding purchase price adjustments or other obligations pursuant to their sale agreements; and (ii) Common Shares held on behalf of employees in escrow pursuant to the employee purchase plan, we will release one-third of such Common Shares in each year to such employees or vendors.

10. DIRECTORS AND OFFICERS

The following table sets out the directors and officers of Altus Group, their province and country of residence, the positions held by such directors and officers within Altus Group and the period during which they have exercised such mandate, and each of their principal and past occupations or employment during the past five years. The term of office for each of the directors of Altus Group expires at the time of the next annual meeting of Shareholders. Additional information regarding the directors of Altus Group can be found in the Company's most recent Management Information Circular, which is available on SEDAR at www.sedar.com.

Directors

Name, Province and Country of Residence	Director Since	Principal and Previous Occupations
Robert G. Courteau Ontario, Canada	September 2012	Chief Executive Officer of Altus. President, North America, of SAP AG (a global market leader in enterprise application software . Chief Operating Officer, Global Customer Operations, of SAP AG.

Directors		
Name, Province and Country of Residence	Director Since	Principal and Previous Occupations
Hon. J. Trevor Eyton, OC(2) (3) Ontario, Canada	August 2009	Director of Magna International Inc. (a global automotive supplier) and Silver Bear Resources Inc. (a silver exploration company), and Director & Chairman of Ivernia Inc. (an international base metal mining company). Director of Brookfield Asset Management Inc. (an alternative asset management company),
Anthony Gaffney(1)(3) Ontario, Canada	June 2012	Chief Executive Officer of Aon Hewitt Canada (a human capital and management consulting company). Managing Partner, Toronto of Accenture (a management consulting, technology services and outsourcing company).
Diane MacDiarmid(2)(3) Ontario, Canada	June 2012	President, MacDiarmid & Company (a strategy and organizational effectiveness consulting firm). Senior Client Partner of Korn Ferry International (a global executive recruiting firm). Executive Vice President, Corporate Resources with Bentall Kennedy (a North American real estate investment advisory and services company).
A.B. (Sandy) McArthur(1)(3) Alberta, Canada	May 2006	Consultant to the President of Morrison Hershfield (an engineering company). Chairman of Morrison Hershfield.
Harvey S. Naglie(1)(2) Ontario, Canada	May 2005	Chairman and Director of Altus. Lead Director of Altus, and Senior Policy Advisor for the Government of Ontario.
Eric W. Slavens(1)(2) Ontario, Canada	May 2005	Corporate Director.
Raymond Mikulich(3) New York, United States	December 2013	Managing Partner and Chief Investment Officer for Ridgeline Capital Group, LLC, and Chief Executive Officer of HomeLPC, LLC. Head of Apollo Global Real Estate North America.
Officers (who are not directors of Altus Group)		
Angelo Bartolini Ontario, Canada		Chief Financial Officer Vice President, Finance

Directors		
Name, Province and Country of Residence	Director Since	Principal and Previous Occupations
James Derbyshire Ontario, Canada		Global President, Property Tax
Liana L. Turrin Ontario, Canada		General Counsel & Secretary Lawyer at Pallett Valo LLP

(1) Member of the Audit Committee.
(2) Member of the Corporate Governance and Nominating Committee.
(3) Member of the Human Resource and Compensation Committee.

Shareholdings of Directors and Officers

As of December 31, 2013, our directors and officers, as a group, beneficially owned or controlled or directed, directly or indirectly 376,533 Common Shares, representing approximately 1.32% of the aggregate number of voting securities of the Company issued and outstanding. The information as to the shares owned, controlled or directed, directly or indirectly by the directors and officers of Altus Group is not within the knowledge of the Company and has been furnished by each of the directors and officers of the Company. Additional information with regard to shareholdings of directors of the Company can be found in the Company's most recent Management Information Circular, which is incorporated herein by reference and a copy of which is available on SEDAR at www.sedar.com.

11. AUDIT COMMITTEE

Audit Committee Charter

Our Board has approved a written charter for the Audit Committee which sets out its purpose, authority, function, membership, qualifications and responsibilities, the text of which is set out in Schedule "A" to this Annual Information Form. Our Company's Audit Committee Charter may also be viewed on Altus Group's website at www.altusgroup.com.

Composition of the Audit Committee

The members of our Audit Committee are Eric W. Slavens (Chair), Anthony Gaffney, A.B. (Sandy) McArthur and Harvey S. Naglie. Our Board, upon the recommendation of the Corporate Governance and Nominating Committee, has determined that all members of the Company's Audit Committee are independent and financially literate within the meaning of applicable securities laws and have the following general business experience and education that is relevant to the performance of their responsibilities as Audit Committee members:

Name	Education and Experience
Eric W. Slavens (Chair)	Mr. Slavens is a Fellow of the Chartered Professional Accountants of Ontario and was a partner of PricewaterhouseCoopers LLP for thirty years, serving most recently as the National Leader, IPO Services. Mr. Slavens has a Bachelor of Commerce from the University of Toronto and is a graduate of the Directors' Education Program co-sponsored by Rotman School of Management and the Institute of Corporate Directors.
Anthony Gaffney	Mr. Gaffney gained financial experience through various executive leadership positions, including as the Chief Executive Officer of BCE Emergis, and through formal training within his Engineering degree. Mr. Gaffney is also a graduate of the Directors' Education Program co-sponsored by Rotman School of Management and the Institute of Corporate Directors.
A.B. (Sandy) McArthur	Mr. McArthur gained financial experience through various executive leadership positions in his career, including as President & Chairman of Fluor Daniel Canada, and as Consultant to the President of Morrison Hershfield.
Harvey S. Naglie	Mr. Naglie is a Certified Management Accountant and a Certified Director, and currently serves on the Independent Review Committees of Jovian Group and BluMont Capital. Mr. Naglie has a Bachelor of Arts from McGill University, a Master of Economics from Johns Hopkins University and a Master of Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

External Auditor's Services

Since December 2, 2011, our Auditor has been Ernst & Young LLP(1). Prior to December 2, 2011, our auditor was RSM Richter LLP, Chartered Accountants. On December 2, 2011, Ernst & Young LLP and RSM Richter LLP merged. The aggregate amounts paid or accrued by Altus Group with respect to fees payable to the auditor of Altus Group for professional services for the years ended December 31, 2013 and 2012 were as follows:

Type of Service	Year Ended December 31, 2013	Year Ended December 31, 2012
Audit(2)	$ 447,058	$ 431,945
Audit-related(3)	356,425	263,500
Tax(4)	124,176	158,797
All other fees(5)	110,000	138,500
Total	$ 1,037,659	$ 992,742

Notes:

(1) Prior to becoming Altus Group's auditor, Altus Group had engaged Ernst & Young LLP for non-audit related services.
(2) Audit of Altus Group's financial statements, review of year-end management's discussion and analysis and press releases and related meetings.
(3) Review of quarterly financial statements, quarterly management's discussion and analysis and press releases, financial statement disclosures and discussions, attendance at quarterly audit committee meetings and verification of purchase price accounting.
(4) Tax compliance services, preparation of tax returns and other tax related services.
(5) Fees related to the 2013 common share issuance, the 2012 Canadian Convertible Debentures and system conversion fees.

Engagement of Non-Audit Services

Our Audit Committee reviews and approves the auditor's audit and tax compliance scope of work and budget for the current year. All engagements of the auditor for non-audit and non-compliance tax services must be pre-approved by the Audit Committee. For 2013, there were total fees of $124,176 with respect to approved non-audit services. These fees were incurred for various tax related services and were included in the tax category in the summary of professional fees payable to our auditor.

12. LEGAL PROCEEDINGS

In the ordinary course of business, we are involved in legal claims and suits made both by and against us. In our opinion, none of the claims or suits currently pending against us is expected to have a material effect on our financial position.

We are currently involved in a dispute with the vendors of the business known as Capital Planning Solutions Inc. ("**CPS**") who are seeking an adjustment to the purchase price under the asset purchase agreement entered into between Altus Group and CPS (the "**Asset Purchase Agreement**"). Notice of Dispute was received on February 26, 2010 and a Statement of Claim for use in the arbitration was filed December 1, 2010. The arbitration had tentatively been scheduled to be heard in 2013 but has been delayed further and there have been no further developments.

In addition, one of the principal vendors of CPS commenced an action on or about August 30, 2010 against Altus Group and the former Chief Executive Officer of Altus Group, arising out of the termination of his employment at Altus Group, in which he seeks damages for breach of contract and intentional interference with contractual relations and punitive damages. Discoveries have been partially completed.

13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or officer or principal Shareholder of Altus Group, or any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since January 1, 2011 that has materially affected or is reasonably expected to materially affect Altus Group.

14. TRANSFER AGENT AND REGISTRAR

CST Trust Company acts as transfer agent and registrar of Altus Group. The register of transfers of each class of securities of Altus Group is located at CST Trust Company's principal transfer office in Toronto.

15. MATERIAL CONTRACTS

Except for those contracts entered into in the ordinary course of business, we have entered into the following material contracts which have been filed by Altus Group with Canadian securities regulators pursuant to Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations* and remain in effect:

i. the 2010 convertible debenture indenture dated December 1, 2010 between Altus Group and BNY Trust Company of Canada, pursuant to which Altus Group issued the 2010 Canadian Convertible Debentures, as further described under "Capital Structure of Altus Group";

ii. the 2012 convertible debenture indenture dated April 19, 2012 between Altus Group and BNY Trust Company of Canada, pursuant to which Altus Group issued the 2012 Canadian Convertible Debentures, as further described under "Capital Structure of Altus Group"; and

iii. the amended credit agreement dated October 31, 2012 among Altus Group, the Bank of Montreal, National Bank of Canada and HSBC Bank Canada, pursuant to which Altus Group established the Credit Facilities, as further described under "General Development of Altus Group".

Copies of the foregoing documents are available on SEDAR at www.sedar.com.

16. INTERESTS OF EXPERTS

Ernst & Young LLP, our Auditor, has been named as having provided an opinion on the financial statements for the year ended December 31, 2013 contained in filings pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* during the year ended December 31, 2013. Ernst & Young LLP has advised that it is independent with respect to the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

17. ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in our Management Information Circular for our most recent special and annual meeting of Shareholders at which directors were elected. Additional financial information is provided in our comparative consolidated financial statements and management's discussion and analysis for the year ended December 31, 2013. Such documentation and additional information relating to Altus Group is available on SEDAR at www.sedar.com, the internet site maintained by the Canadian Securities Administration, and on Altus Group's corporate website at www.altusgroup.com.

18. GLOSSARY OF TERMS

"**2010 Canadian Convertible Debentures**" means the issuance of $50.0 million convertible unsecured subordinated debentures completed by Altus Group on December 1, 2010 with a maturity date of December 31, 2017 bearing interest at a rate of 5.75% per annum and are payable semi-annually on June 30 and December 31 each year.

"**2012 Canadian Convertible Debentures**" means the issuance of $48.0 million Canadian convertible unsecured subordinated debentures completed by Altus Group on April 19, 2012 with a maturity date of June 30, 2017 bearing interest at a rate of 6.75% per annum and are payable semi-annually on June 30 and December 31 each year.

"**Altus Group**" means Altus Group Limited, a corporation incorporated under the OBCA, and, as applicable, its predecessor, the Fund.

"**Altus Entities**" means Altus Group or the Company and its respective subsidiaries and affiliates.

"**Altus Geomatics**" means Altus Geomatics Limited Partnership, a limited partnership established under the laws of the Province of Alberta, Canada.

"**Altus Group Asia Pacific**" means Altus Group Asia Pacific Limited, a company established under the laws of the Province of Ontario, Canada.

"**Altus LP**" means Altus Group Limited Partnership, a limited partnership established under the laws of the Province of Manitoba, Canada.

"**Altus UK LLP**" means Altus UK LLP, a limited liability partnership formed under the laws of the United Kingdom.

"**ARGUS acquisition**" means the indirect acquisition the Company made on June 1, 2011 of 100% of the shares of Realm, owner of ARGUS Software, for an aggregate consideration of approximately $126.4 million.

"**ARGUS Software**" means one of the lines of business of Altus Group.

"**Arrangement**" means the reorganization of the Fund pursuant to the plan of arrangement under Section 182 of the OBCA for the purpose of converting the Fund from an income trust into a corporation.

"**Asia Pacific**" means the Asia Pacific regions that Altus Group operates in, including Australia, China, Hong Kong, Thailand and Vietnam.

"**Board**" means the Board of Directors of Altus Group.

"**Canadian GAAP**" means Canadian generally accepted accounting principles prior to the adoption of International Financial Reporting Standards.

"**Class B LP Units**" means the Class B limited partnership units of Altus LP.

"**Common Shares**" means the Common Shares in the capital of Altus Group.

"**Cost**" or "**Cost Consulting**" means Cost Consulting and Project Management, one of the lines of business of Altus Group.

"**Credit Facilities**" means the credit facilities with our banking syndicate, as amended from time to time.

"**Fund**" means Altus Group Income Fund, which converted into the Company pursuant to the Arrangement.

"**Geomatics**" means the land survey and land use lines of business of Altus Group.

"**OBCA**" means the *Business Corporations Act* (Ontario) and the regulations thereunder.

"**Preferred Shares**" means the Preferred Shares in the capital of Altus Group.

"**Property Tax**" means Property Tax Consulting, one of the lines of business of Altus Group.

"**Real Matters**" means Real Matters, Inc., a corporation formed under the federal laws of Canada, in which Altus Group has an investment in common shares. Real Matters is a leading provider of single family residential appraisals, collateral risk management and data analytic services to the North American financial services industry.

"**Realm**" means Realm Solutions, Inc., a company formed under the laws of the State of Delaware, USA.

"**Revolving Operating Facility**" means the senior secured revolving operating facility which forms part of our Credit Facilities.

"**Revolving Term Facility**" means the senior secured revolving term facility to finance investments which forms part of our Credit Facilities.

"**RVA**" means Research, Valuation & Advisory, one of the lines of business of Altus Group.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators

"**Shareholders**" means holders of Common Shares of Altus Group.

"**Special Voting Unitholders**" means the holders of Special Voting Units.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder.

"**Trust**" means Altus Operating Trust, an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario.

"**TSX**" means the Toronto Stock Exchange.

"**Unitholders**" means the holders of Units.

"**Units**" means units of the Fund.

"**UK**" means the United Kingdom.

"**US**" means the United States of America.

"**US Convertible Debentures**" means the convertible unsecured subordinated debentures issued by the Company to certain shareholders of Realm in the principal amount of US$49.4 million as part of the total consideration paid for the ARGUS acquisition.

19. SCHEDULE "A"

ALTUS GROUP LIMITED
(the "Corporation")

AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee (the "**Committee**") of the Corporation is appointed by the board of directors of the Corporation (the "**Board**") in order to assist the Board in fulfilling its responsibilities of oversight and supervision of:

- the integrity of the accounting and financial reporting practices and procedures of the Corporation;
- the adequacy of the internal accounting controls and procedures of the Corporation;
- the compliance by the Corporation with legal and regulatory requirements in respect of financial disclosure;
- the quality and integrity of the consolidated financial statements of the Corporation;
- the qualification, independence and performance of the independent auditor of the Corporation;
- the assessment, monitoring and management of the strategic, operational, reporting and compliance risks of the Corporation's business ("**Risks**"); and
- the performance of the Corporation's Chief Financial Officer.

In addition, the Committee provides an avenue for communication between the independent auditor, the Corporation's Chief Financial Officer and other financial senior management, other employees and the Board concerning accounting, auditing and Risk management matters.

The Committee is directly responsible for the recommendation of the appointment and retention (and termination) and for the compensation and the oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between senior management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Corporation.

The Committee is not responsible for:

- planning or conducting audits; or
- certifying or determining the completeness or accuracy of the Corporation's financial statements or that those financial statements are in accordance with generally accepted accounting principles ("**GAAP**") or International Financial Reporting Standards (**"IFRS**").

Each member of the Committee shall be entitled to rely in good faith upon:

- financial statements of the Corporation represented to him or her by senior management of the Corporation or in a written report of the independent auditor to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles; and
- any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

"Good faith reliance" means that the Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by senior management or the expert is reasonable. Generally, good faith reliance does not require that the member question the honesty, competence and integrity of senior management or the expert unless there is a reason to doubt their honesty, competency and integrity.

The fundamental responsibility for the Corporation's financial statements and disclosure rests with senior management. It is not the duty of the Committee to conduct investigations, to itself resolve disagreements (if any) between senior management and the independent auditor or to assure compliance with applicable legal and regulatory requirements.

In discharging its obligations under this Charter, the Committee shall act in accordance with its fiduciary duties.

COMPOSITION

The members of the Committee shall be three or more individuals who are appointed (and may be replaced) by the Board on the recommendation of the Corporate Governance and Nominating Committee. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of directors. Any member of the Committee may be removed from the Committee by a resolution of the Board. Unless the Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the members of the Committee.

Each of the members of the Committee shall meet the Corporation's Categorical Standards for Determining Independence of Directors and shall be financially literate (or acquire that familiarity within a reasonable period after appointment) in accordance with applicable legislation and stock exchange requirements. No member of the Committee shall:

- accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Corporation or any of its subsidiaries[1] (other than remuneration for acting in his or her

[1] A company is a subsidiary of another company if it is controlled, directly or indirectly, by that other company (through one or more intermediaries or otherwise).

capacity as a director or committee member) or be an "affiliated person" of the Corporation or any of its subsidiaries; or

- concurrently serve on the audit committee of more than three other public companies without the prior approval of the Committee, the Corporate Governance and Nominating Committee and the Board and their determination that such simultaneous service would not impair the ability of the member to effectively serve on the Committee (which determination shall be disclosed in the Corporation's annual management information circular).

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

REPORTS

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Corporation of its quarterly and annual financial results. The reports of the Committee shall include any issues of which such Committee is aware with respect to the quality or integrity of the consolidated financial statements of the Corporation, as applicable, its compliance with legal or regulatory requirements, and the performance and independence of the independent auditor and changes in Risks. The Committee shall also prepare, as required by applicable law, any audit committee report required for the inclusion in the Corporation's publicly filed documents.

RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board delegates to the Committee the following powers and duties to be performed by such Committee on behalf of and for the Board, as applicable:

Independent Auditor

The Committee shall:

(i) Recommend the appointment and the compensation of, and, if appropriate, the termination of the independent auditor, subject to such Board and shareholder approval as is required under applicable legislation and stock exchange requirements.

(ii) Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Committee and the Board.

(iii) Oversee the work of the independent auditor, including the resolution of any disagreements between senior management and the independent auditor regarding financial reporting.

(iv) Pre-approve all audit and non-audit services (including any internal control-related services) provided by the independent auditor (subject to any restrictions on such non-audit services imposed by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators).

(v) Adopt such policies and procedures as it determines appropriate for the pre-approval of the retention of the independent auditor by the Corporation and any of its subsidiaries for any audit or non-audit services, including procedures for the delegation of authority to provide such approval to one or more members of the Committee.

(vi) Provide notice to the independent auditor of every meeting of the Committee.

(vii) Approve all engagements for accounting advice prepared to be provided by an accounting firm other than independent auditor.

(viii) Review quarterly reports from senior management on tax advisory services provided by accounting firms other than the independent auditor.

(ix) Review expense reports of the Chairman and the Chief Executive Officer.

The Audit Process, Financial Statements and Related Disclosure

The Committee shall:

(i) Meet with senior management and/or the independent auditor to review and discuss,

- the planning and staffing of the audit by the independent auditor,
- before public disclosure, the Corporation's annual audited financial statements and quarterly financial statements, the Corporation's accompanying disclosure of Management's Discussion and Analysis and earnings press releases and make recommendations to the Board as to their approval and dissemination of those statements and disclosure,
- financial information and earnings guidance provided to analysts and rating agencies: this review need not be done on a case-by-case basis but may be done generally (consisting of a discussion of the types of information disclosed and the types of presentations made) and need not take place in advance of the disclosure,
- any significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Corporation's financial statements,
- all critical accounting policies and practices used,
- all alternative treatments of financial information that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor,
- the use of "*pro forma*" or "adjusted" non-GAAP information,
- the effect of new regulatory and accounting pronouncements,

- the effect of any material off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise) on the Corporation's financial statements,

- any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Committee in connection with certification of forms by the Chief Executive Officer and/or the Chief Financial Officer for filing with applicable securities regulators, and

- the adequacy of the Corporation's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel (including any fraud involving an individual with a significant role in internal controls or management information systems) and any special steps adopted in light of any material control deficiencies.

(ii) Review disclosure of financial information extracted or derived from the Corporation's financial statements.

(iii) Review with the independent auditor,

- the quality, as well as the acceptability of the accounting principles that have been applied,

- any problems or difficulties the independent auditor may have encountered during the provision of its audit services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with senior management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to senior management and the Corporation's response to that letter or communication, and

- any changes to the Corporation's significant auditing and accounting principles and practices suggested by the independent auditor or other members of senior management.

Risks

The Committee shall:

(i) recommend to the Board for approval a policy that sets out the Risks philosophy of the Corporation and the expectations and accountabilities for identifying, assessing, monitoring and managing Risks (the "**ERM Policy**") that is developed and is to be implemented by senior management;

(ii) meet with senior management to review and discuss senior management's timely identification of the most significant Risks, including those Risks related to or arising from the Corporation's weaknesses, threats to the Corporation's business and the assumptions underlying the Corporation's strategic plan (the "**Principal Risks**");

(iii) approve a formalized, disciplined and integrated enterprise risk management process (the "**ERM Process**") that is developed by senior management of the Corporation to monitor, manage and report Principal Risks;

(iv) recommend to the Board for approval policies (and changes thereto) setting out the framework within which each identified Principal Risks of the Corporation shall be managed;

(v) at least semi-annually, obtain from senior management, a report specifying the management of the Principal Risks of the Corporation including compliance with the ERM Policy and other policies of the Corporation for the management of Principal Risks;

(vi) review with senior management the Corporation's tolerance for financial Risk and senior management's assessment of the significant financial Risks facing the Corporation;

(vii) discuss with senior management, at least annually, the guidelines and policies utilized by senior management with respect to financial Risk assessment and management, and the major financial Risk exposures and the procedures to monitor and control such exposures in order to assist the Committee in assessing the completeness, adequacy and appropriateness of financial Risk disclosure in the Management's Discussion and Analysis and in the financial statements;

(viii) review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion; and

(ix) review the adequacy of insurance coverages maintained by the Corporation.

Compliance

The Committee shall:

(i) obtain reports from senior management that the Corporation entities are in conformity with applicable legal requirements and the Corporation's Code of Business Conduct and Ethics;

(ii) review with senior management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Corporation's financial statements or accounting policies;

(iii) review senior management's written representations to the independent auditor;

(iv) advise the Board with respect to the Corporation's policies and procedures regarding compliance with applicable laws and regulations and with the Corporation's Code of Business Conduct and Ethics;

(v) review with the Corporation's General Counsel legal matters that may have a material impact on the financial statements, the Corporation's compliance policies and any material reports or inquiries received from regulators or governmental agencies; and

(vi) establish procedures for,

the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and

the confidential, anonymous submission by employees of the Corporation with concerns regarding any accounting or auditing matters.

Delegation

The Committee's responsibilities identified above are the sole responsibility of the Committee and may not be delegated by the Board to a different committee without revisions to this Charter.

MEETINGS

The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than four times a year. Meetings will be at the call of the Chair. Notwithstanding the foregoing, the independent auditor or any member of the Committee may call a meeting of the Committee on not less than 48 hours' notice. The notice period may be waived by a quorum of the Committee.

The Committee shall meet separately, periodically, with senior management and the independent auditor and may request any member of the Corporation's senior management or the Corporation's outside counsel or independent auditor to attend meetings of the Committee or with any members of, or advisors to, the Committee. The Committee may also meet with the investment bankers, financial analysts and rating agencies that provide services to, or follow, the Corporation.

The independent auditor shall be entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, as applicable, to attend and be heard thereat.

A quorum for meetings shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine, provided that if the number of members of the Committee is two, both of the members shall constitute a quorum. The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution in writing signed by all the members of the Committee entitled to vote on that resolution at a meeting of the Committee. Each member (including the Chair) is entitled to one (but only one) vote in Committee proceedings.

The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee or otherwise determined by resolution of the Board.

INDEPENDENT ADVICE

In discharging its mandate, the Committee shall have the authority to retain (and authorize the payment by the Corporation of) and receive advice from special legal, accounting or other advisors as the Committee deems to be necessary to permit it to carry out its duties.

ANNUAL EVALUATION

At least annually and more frequently at the request of General Counsel, the Committee shall, in a manner it determines to be appropriate:

- perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter; and

- review and assess the adequacy of this Charter and the position description for its Chair and recommend to the Board any changes to this Charter or the position description of the Chair that the Committee determines to be appropriate, except for minor technical amendments to this Charter authority for which is delegated to General Counsel, who will report any such amendments to the Board at its next regular meeting.

LIMITATION

Nothing in this Charter is intended to or shall have the effect of limiting or impairing the independent decision making authority or responsibility of any board of a corporation subsidiary mandated by applicable law.

LISTINGS
Toronto Stock Exchange
Stock trading symbol: AIF
Convertible debenture trading symbols: AIF.DB and AIF.DB.A

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LAWYERS
GOODMANS LLP

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