Resolve

RESOLVE BUSINESS OUTSOURCING INCOME FUND

ANNUAL INFORMATION FORM
FOR THE PERIOD ENDED DECEMBER 31, 2008

March 6, 2009

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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS:
The sections in this annual information form entitled "Foreign Exchange," "Income Tax Matters" and "Risk Factors – Reliance on Customer Contracts" may constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Fund or Resolve or industry results to be materially different from any future results, performance or achievements or opportunities expressed or implied by such forward-looking statements. When used in this annual information form, such statements use such words as "may," "will," "expect," "believe," "plan," "could" and other similar terminology. These statements reflect current expectations regarding future events and operating performance. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, loss of key customer contracts or reduction of services purchased by key customers, foreign exchange rates, increases in costs to Resolve that cannot be passed on to customers, disputes with key customers, competition, the ability of Resolve to manage operations and execute growth strategies, stability of internal and government information systems and technology, technological changes, the ability to maintain software licences, changes in privacy laws and risks inherent in bidding on government contracts. Although the forward-looking statements contained in this annual information form are based upon what management believes are reasonable assumptions, neither the Fund nor Resolve can assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this annual information form. Neither the Fund nor Resolve has any obligation to update or amend the forward-looking statements in this annual information form except as required by law.

CORPORATE STRUCTURE

Resolve Business Outsourcing Income Fund (the “Fund”) is an unincorporated, open-ended, limited purpose trust established under, and governed by, the laws of the Province of Ontario on February 12, 2006, by a declaration of trust, as amended and restated on March 9, 2006 (the “Fund Declaration of Trust”). The Fund was established to indirectly acquire Resolve Corporation (“Resolve”) and CSRS Holdings, Ltd. (“CSRS”). Resolve, CSRS and a third corporation were amalgamated on July 5, 2007 to form Resolve Corporation. The operations are collectively referred to as “the Company” or “the Business.” The registered and head office of the Fund is located at 85 The East Mall, Toronto, Ontario, M8Z 5W4.

Resolve and its predecessor companies have a 35-year history of providing customized outsourced business solutions to businesses and governments across North America and have operated under the Resolve brand since 2004. Resolve is a leading provider in Canada of consumer and student loan administration services, credit card portfolio management services, search and registration services, credit and loyalty application processing, medical and dental insurance claims processing, call centre and customer support, marketing and promotional support and supply chain management and fulfillment services. Resolve is a corporation formed under the laws of the Province of Ontario and its registered and head office is located at 2 Robert Speck Parkway, Suite 1600, Mississauga, Ontario, L4Z 1H8.

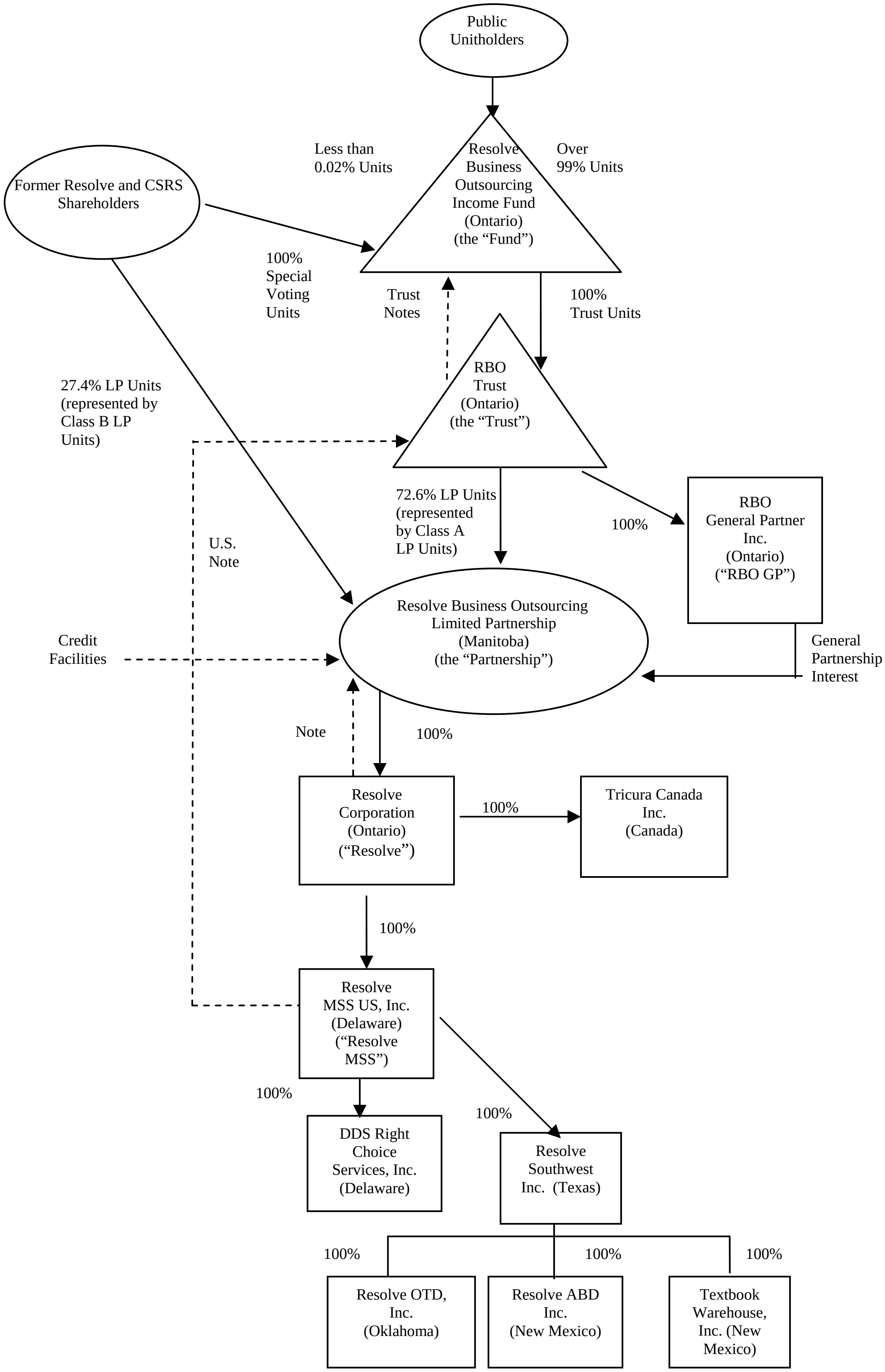
RBO Trust (the “Trust”) is an unincorporated, open-ended limited purpose trust established under, and governed by, the laws of the Province of Ontario by a declaration of trust (the “Trust Declaration of Trust”) dated March 9, 2006. The Trust was created to acquire and hold the US Note (as herein defined) and all of the Class A LP Units of the Partnership (as herein defined), which represents approximately 72.6% of the outstanding LP Units. The registered and head office of the Trust is located at 85 The East Mall, Toronto, Ontario, M8Z 5W4.

Resolve Business Outsourcing Limited Partnership (the “Partnership”) is a limited partnership formed under, and governed by, the laws of the Province of Manitoba by a limited partnership agreement dated March 9, 2006 (the “Partnership Agreement”) to acquire and hold all of the shares of Resolve, which carries on the Company’s business. The registered and head office of the Partnership is located at 85 The East Mall, Toronto, Ontario, M8Z 5W4.

Copies of the Fund Declaration of Trust, the Trust Declaration of Trust and the Partnership Agreement can be found on SEDAR at www.sedar.com.

The following chart illustrates the structure of the Fund, including the jurisdiction of establishment/incorporation of the various operating entities, and the indirect investment by the Fund in the Company and certain related transactions.

CORPORATE STRUCTURE
(as of January 2, 2008)



GENERAL DEVELOPMENT OF THE BUSINESS

The Fund commenced active operations on March 17, 2006 when it completed an initial public offering of 22,500,000 Units ("Units") of the Fund at a price of $10.00 per Unit and indirectly acquired a 70.5% ownership interest in Resolve and CSRS. The prior owners of Resolve and CSRS initially retained a 29.5% limited partnership interest in the Partnership. During the year ended December 31, 2008, 100,000 Class B LP Units of the Partnership were exchanged for 100,000 Units of the Fund. As of December 31, 2008, the prior owners are represented by 8,929,841 Class B LP Units of the Partnership, representing a 27.4% limited partnership interest. As at the date of this AIF, the prior owners are represented by 8,929,841 Class B LP Units of the Partnership or a 27.4% limited partnership interest. The Class B LP Units can be exchanged on a one-for-one basis for Units pursuant to certain conditions as described in the final prospectus of the Fund dated March 9, 2006 (the "Prospectus").

DESCRIPTION OF THE BUSINESS

General

Resolve Business Outsourcing Income Fund was established on February 12, 2006. On March 17, 2006, the Fund completed an initial public offering of Units and through Resolve Business Outsourcing Limited Partnership acquired two businesses, Resolve Corporation and CSRS Holdings, Ltd., for cash and a 29.5% interest in the Partnership. The interests of the prior shareholders of Resolve Corporation and CSRS Holdings, Ltd. in the Partnership may be exchanged for Units of the Fund pursuant to the terms of the Exchange Agreement.

On May 25, 2007, Resolve acquired Edulinx Canada Corporation ("Edulinx"), a competitor in the delivery of student loan services in Canada. Under the terms of the acquisition agreement, Resolve purchased all of the shares of Edulinx for $13.0 million. Pursuant to Part 8 of National Instrument 51-102, a business acquisition report in respect of this acquisition was filed on SEDAR on August 8, 2007.

On July 5, 2007, Resolve Corporation, CSRS Holdings, Ltd. and Edulinx Canada Corporation were amalgamated under the laws of the Province of Ontario to form Resolve Corporation.

On January 1, 2008, Canadian Securities Registration Systems, a partnership, and CSRS Partnership Holding Inc., a minority partner, in the partnership were wound up into Resolve Corporation to further simplify the corporate structure.

On May 27, 2008, the Fund announced that it had initiated a process to evaluate strategic alternatives to enhance unitholder value.

On September 19, 2008, the Fund announced that its previously disclosed review of strategic alternatives to enhance unitholder value was continuing, that no decision had been made regarding any specific alternative, and that there can be no assurance that this process would lead to any transaction.

On November 3, 2008, the Fund announced that, while its Board is continuing to review strategic alternatives to enhance unitholder value, it has decided at this time that it is not in the best interest of unitholders to pursue the alternative of a sale of the business in the current market environment. The Board is continuing to assess alternatives in the context of the impending change in taxation rules at the end of 2010. No decision has been made at this time with respect to any specific alternative. The Fund will provide further updates as circumstances warrant.

On November 19, 2008, the Fund announced that, until further notice, monthly cash distributions to its unitholders had been suspended.

Resolve operates in one business segment - business process outsourcing (BPO). The Business provides customized BPO solutions primarily to large businesses and governments in North America. Resolve's BPO solution portfolio includes Financial and Administrative solutions (F&AS), Contact Centre Services solutions (CCS) and Supply Chain Management solutions (SCM). The solutions for customers may include two or more portfolio solutions as part of the overall BPO solution.

Services

The Company is a leading provider of outsourced business services that include Financial and Administrative Solutions, Contact Centre Services and Supply Chain Management. Many North American consumers interact with the Company on a regular basis in the following areas:

Student Loan Administration. The Company manages approximately 2.0 million student loan accounts for major Canadian banks and provincial and federal governments and has over $15.4 billion under administration across various loan portfolios. Management believes that the Company has an estimated 95% market share in outsourced student loans in Canada.

Search and Registration Services. The Company is the largest provider of personal property registrations and searches in Canada, processing approximately 3.5 million transactions annually for the Canadian financial services industry. Management believes that the Company is the dominant outsource service provider in this sector.

Credit Cards. The Company provides an integrated credit card solution for a large Canadian credit card issuer that includes back office administration and customer care services. The Company also processes annually over 1.7 million credit card applications for major banks and retailers.

Administrative Solutions. The Company's administrative solutions operations annually process 6.5 million non-credit card applications, process 5.3 million medical and dental claims and process and record over 4.0 million financial payments.

Customer Contact Support. The Company operates over 2,000 customer contact support seats in North America. The support activities are predominantly focused on inbound customer care and support in the financial services, retail, telecommunications and government sectors.

Supply Chain Management. The operations are comprised of fourteen branches located throughout Canada and the US that are involved in marketing support and incentive services, third-party logistics and specialty solutions. The Company's marketing support services annually process approximately 5.0 million orders that include point of sale, literature and brochure fulfillment in addition to print management, print on demand and transportation solutions. Annually, incentive services process approximately 100 million coupons and rebates for consumer-based programs such as rebates, premiums, sweepstakes, games and contest administration, coupon redemption and loyalty fulfillment. Approximately 10 million client products are received, warehoused and shipped as part of the third-party logistic solutions. Specialty solutions include document imaging and textbook distribution management developed specifically for major customers.

A significant portion of the revenue earned by the Company is governed by contracts with customers. Contracts for more complicated BPO solutions tend to have longer terms while contracts for less complicated solutions tend to have shorter terms. The nature of BPO is that customers are continually looking for enhanced service and sometimes at a lower cost. This creates competitive and revenue pressure at the time of contract renewal. In addition, certain contracts are for programs that a customer will operate for a period of time and then abandon or replace with an alternate form of program that may not require a BPO solution. An example would be a retailer replacing a mail-in rebate program with an in-store rebate program. Revenue from certain solutions with some customers may decline during the life of the contract as the program nears maturity. Per-transaction revenue may also decline on renewal as a result of competitive bidding pressure. The opposite also occurs as customers add enhancements to the current solutions being provided or because the per-transaction volumes increase due to the success of the programs.

Contracts have various contract lengths and maturities. In response to the competitive revenue pressure and the desire to maximize earnings during the term of a contract, the Business is constantly seeking ways to reduce costs or to benefit from economies of scale for a specific solution. Direct costs are higher and gross profits tend to be lower during the start-up of a new solution. Conversely, gross profits tend to be maximized during the later stages of a contract. Initial direct costs are lower on subsequent applications of a new solution.

The Business experiences cyclicality in revenue between quarters and years. Vehicle registrations are related to vehicle sales and therefore increase and decrease in tandem with the auto industry. Certain US states will only replace textbooks every few years. In addition, textbook distribution is tied to the school year. Certain programs with retailers are influenced by holiday season promotions.

Competition

The Company encounters competition in all its markets and competition as it approaches new markets. Some of the Company's competitors have substantially greater resources and they may be able to use their resources to adapt more quickly to new or emerging opportunities, to devote greater resources to the promotion and sale of their products and services or to obtain customer contracts where sizable asset purchases, investments or financing support are required.

In addition, the Company frequently competes with a customer's own internal business process capabilities, which may constitute a fixed cost for the client. Some businesses and governments may view BPO as a potential risk for service disruptions due to a loss of in-house expertise and a loss of control over key functions. BPO may also be less readily acceptable in business or government functions where job losses or other significant employment changes are expected to result. In weighing the advantages of outsourcing one or more business processes against the perceived risks, businesses and governments can be expected to mitigate those risks by selecting BPO providers with an established service record and market reputation and with a presence in the markets being served.

Employees

As at December 31, 2008, the Company employed approximately 4,700 individuals on a full-time equivalent basis. The Company's employment levels fluctuate depending on particular contract requirements and variable and seasonal demand in certain of its service lines, although total staffing generally remains consistent on a consolidated basis. None of the Company's employees are subject to a collective bargaining agreement. The Company's senior employees typically enter into executive agreements when hired which provide for severance on termination of employment, participation in the Company's incentive plans and non-competition and non-solicitation covenants. Management believes that the Company has very good relations with its employees.

Reorganizations

On May 25, 2007, Resolve acquired Edulinx Canada Corporation ("Edulinx"), a competitor in the delivery of student loan services in Canada. On July 5, 2007, Resolve Corporation, CSRS Holdings, Ltd. and Edulinx Canada Corporation were amalgamated under the laws of the Province of Ontario to form Resolve Corporation. On January 1, 2008, Canadian Securities Registration Systems, a partnership, and CSRS Partnership Holding Inc., a minority partner in the partnership, were wound up into Resolve Corporation to further simplify the corporate structure.

Risk Factors

The Fund is subject to a number of business and Fund structure risks that are summarized below.

Reliance on Customer Contracts

A significant portion of the revenue earned by Resolve is governed by contracts with customers. The largest customer in 2008 accounted for approximately 21% of revenue. The top five customers accounted for 40%, the top ten customers 51% and the top twenty-five customers 70% of revenue.

Some customers will go to tender upon expiry of a contract and others will negotiate a renewal on an exclusive basis. There can be no assurance that expiring customer contracts will be renewed and, if renewed, that they will be renewed on similar terms. There could be a material adverse effect on Resolve if contracts are not renewed or are renewed on terms less profitable to the Business. The revenue generated under the CSLP contract signed in December 2006 will be less than the revenue generated under the two existing contracts that expire in March 2008. The new contract contemplated the winning bidder moving from the current service delivery model to a student self-service model that would enable the provider to reduce service delivery costs over the term of the contract. The estimated impact on revenue in 2009 is $15,000. Resolve has identified cost savings in 2008 and in 2009 that are expected to significantly but not completely offset the impact of the revenue reduction.

New Customer Contracts

New customer contracts generally require the Business to incur implementation costs and acquire additional capital expenditures in order to implement a customer solution. The Business is often required to bid on a competitive basis for the contract and must, in pricing its bid, make a number of assumptions and estimates regarding the costs to implement and then operate the solution. There can be no assurance that the estimate of the costs to implement or operate the solution will not be in excess of the estimate made at the time of submitting the bid. A difference in the implementation or operating costs could have a material adverse effect on Resolve.

Contract Performance

Substantially all customer contracts contain provisions that govern the performance of the services being provided. Failure to meet the terms can result in disputes over revenue earned, early termination of the contract, financial performance penalties or litigation. There can be no assurance that service delivery differences or disputes will not occur. Differences or disputes and the resolution thereof could have a material adverse effect on the Business.

Competition

Resolve has competition for all its BPO solutions. Some of the competitors are substantially larger and have greater economic resources than those of Resolve.

Certain solutions can be delivered by BPO service providers not domiciled in proximity to the customer. Certain of these service providers are located in lower cost environments and may be able to bid and deliver a solution at a lower cost than Resolve.

Labour

The Business had at December 31, 2008, approximately 4,700 employees located in 29 facilities in Canada and the United States. None of Resolve’s employees are currently subject to a collective bargaining agreement. There can be no assurance that attempts will not be made in the future in one or more facilities to unionize employees. Labour costs are a significant component of direct costs and operating expenses. Increases in labour costs or service disruption related labour activities could have a material adverse effect on the Business.

Information Systems

The Business relies on technology as an important component of its service solutions. Resolve's information systems are vulnerable to damage from computer viruses, unauthorized access, energy blackouts and other disasters. The Business has policies, procedures, safeguards and backup systems to address system risks. There can be no assurance that an information system failure will not disrupt the operation of Resolve. A system failure could have a material adverse effect on the Business.

Privacy Laws

The Business processes and stores personal information on individuals that is subject to laws and regulations regarding the protection of certain of the information. Resolve has policies and procedures related to the protection of personal information. A breach of privacy laws could have legal, regulatory and customer contractual implications. The impact of a breach could have a material adverse effect on the Business.

Foreign Exchange

The Business has operations in the United States, and certain revenue generated by the Canadian operations is denominated in US dollars. The US-based operations are considered self-sustaining for accounting purposes. Accordingly, any gains or losses on the Partnership's net investment in these operations are deferred and recorded as a component of comprehensive earnings in the Consolidated Statement of Unitholders' Equity. The revenue and net earnings reported by the US-based operations is impacted on translation into Canadian dollars. Revenue generated by the Canadian operations that is denominated in US dollars is impacted by changes in exchange rates. In order to minimize the risk of foreign exchange fluctuation on US cash flows received in Canada, the Partnership has entered into a series of forward foreign exchange contracts to sell US dollars over a period to December 2009. There can be no assurance that the contracts to sell US dollars will match the future US cash flows received in Canada.

Resolve has assumed for budgeting purposes a Canadian to US dollar exchange rate of 85 cents. The Company has budgeted US-dollar-denominated revenue generated by the Canadian operations in 2009 of US$9,700 and revenue and EBITDA generated from US-based operations of US$35,000 and US($1,200) respectively. At year-end, Resolve has forward exchange contracts of $5,200 that will be realized in 2009. The estimated impact on revenue and EBITDA of an 85 cents exchange rate compared to the average rate in 2008 is an estimated positive impact on revenue of $5,300 and a positive impact on EBITDA including the forward contracts of $470. The positive impact on EBITDA in 2009 of an 85 cents rate excluding the forward exchange contracts would be $1,000. A strengthening of the Canadian rate to US$0.86 to Cdn$1.00 compared to the average rate in 2008 would positively impact revenue by $4,600 and positively impact EBITDA by $420 including the forward contracts. A weakening of the Canadian rate to US$0.84 to Cdn$1.00 would positively impact revenue and EBITDA by $5,900 and $530 respectively including the forward contracts.

Leverage

The Partnership has debt service obligations under its credit facilities that mature and are fully repayable on March 16, 2010, subject to compliance with covenants as outlined in the Syndicate Credit Agreement. If amounts become repayable due to an inability to comply with covenants or if the Partnership is unable to extend the terms of the facilities at the time of renewal, the loss of credit facilities would have an adverse impact on the continuing operations of the Business.

The credit facilities have a variable interest rate. The Partnership has entered into an interest rate swap agreement that fixes the interest rate on $65,000 of the $100,000 term debt at 6.49% through March 2010.

Cash Distributions

In November 2008 the Fund announced a suspension of the distribution. Since that time the Fund has held discussions with unitholders, management and the Fund's banking syndicate. The Fund has a $100,000 loan from a banking syndicate which is repayable in March 2010. At this time management believes that the gross amount of the loan that will be renewed in 2010 will be less than the $100,000 currently in place. As a result management will use 2009 cash flows to reduce the amount of the term loan to a level that will be renewable. Until that time the Fund will not re-instate the distribution and there can be no guarantee that the distribution will be re-instated after that date.

Future cash distributions are not guaranteed, and there can be no assurance regarding the amount of earnings generated by the Business or ultimately distributed by the Fund. The actual amount that could be distributed in the future will depend on numerous factors, including profitability, the ability to sustain EBITDA, working capital and capital expenditures, all of which are susceptible to a number of risks. In addition, the Syndicate Credit Agreement includes restrictions on distributions by the Business to the Trust or to the Fund that could limit the amount of cash available to the Fund to make cash distributions.

Nature of Units

Unitholders own an equal undivided interest in the Fund. The units do not and will not represent a direct investment in the Business. As holders of Fund units, unitholders do not have the statutory rights normally associated with the ownership of shares of a corporation, including, for example, the right to bring oppression or derivative actions. The units represent a fractional interest in the Fund. The Fund's primary assets are trust units and trust notes. The price per unit is a function of anticipated distributable cash.

Income Tax Matters

During 2007, the government enacted legislation previously announced on October 31, 2006, concerning the taxation of income trusts and other flow-through entities. This legislation will subject the Fund to trust-level taxation as of January 1, 2011, which will reduce the amount of cash available for distributions to unitholders. The Fund estimates that the enactment of this legislation will, commencing on January 1, 2011, reduce the amount of cash available to the Fund for distribution to its unitholders by an amount equal to 31.5% multiplied by the amount of pre-tax earnings (other than taxable dividends) distributed by the Fund. There can be no assurance that the Fund will be able to retain the benefit of the deferred application of the new tax regime until 2011. If the Fund is deemed to have undergone "undue expansion," as described in the Guidelines on Normal Growth issued by the Department of Finance (Canada) on December 15, 2006, during the period from and including November 1, 2006, to December 31, 2010, the legislation would become effective on a date earlier than January 1, 2011. Loss of the benefit of the deferred application of the new tax regime until 2011 could have a material and adverse effect on the value of units.

DISTRIBUTIONS

The Fund made regular monthly cash distributions of its distributable cash to Unitholders of record on the last business day of each month until November 2008 when it suspended distributions until further notice. All payments made in 2008 and all payments made in 2007 were paid at a rate of $0.0833 per Unit. In 2006, the cash distributions from the period of March 17 to April, which cash distribution were paid on May 15, 2006, was paid at a rate of $0.1237 per Unit. All subsequent cash distributions made in 2006 were paid at a rate of $0.0833 per Unit. At this time, the Fund has no plans to reinstate distributions.

The Fund may make distributions or reinstate the monthly distributions during the year, as the Trustees may determine. The distribution declared in respect of the month ending December 31 in each year will include such amount in respect of the taxable income and net realized capital gains, if any, of the Fund for such year as is necessary to ensure that the Fund will not be liable for ordinary income taxes under the Income Tax Act (Canada) (the "Tax Act") in such year.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The beneficial interests in the Fund are divided into interests of two classes, described and designated as "Units" and "Special Voting Units," respectively, which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Fund's Declaration of Trust and reproduced, in part, herein; the interest of each holder of Units and each holder of Special Voting Units is determined by the number of Units or Special Voting Units registered in the name of such holder.

A Special Voting Unit does not entitle the holder thereof to any interest or share in the Fund, in any distribution from the Fund (whether of income of the Fund, net realized capital gains or other amounts) or in the net Fund assets in the event of a termination or winding-up of the Fund. Special Voting Units are only issued in connection with or in relation to exchangeable Class B LP Units of the Partnership and other exchangeable securities that may be issued by subsidiaries of the Fund ("Exchangeable Units"). A Special Voting Unit is issued in conjunction with and is attached to each Exchangeable Unit and is evidenced only by the certificate or certificates representing such Exchangeable Units. Each Special Voting Unit may be transferred solely with the transfer of the Exchangeable Unit with which it is associated and entitles the holder of record thereof to that number of whole votes (rounded down to the nearest whole vote) at all meetings of Unitholders that is equal to the number of Units into which the Exchangeable Units to which such Special Voting Unit relates is, directly or indirectly, exchangeable (other than in respect of Exchangeable Units that have been so exchanged and are held by the Fund or an affiliate thereof). Upon the exchange, conversion or cancellation of an Exchangeable Unit, the Special Voting Unit that is attached to such Exchangeable Unit is immediately cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit ceases to have any rights with respect thereto.

Constraints

In order for the Fund to maintain its status as a mutual fund trust under the Tax Act, the Fund must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the Tax Act, and pursuant to certain proposed amendments to the Tax Act (which are discussed in detail below), not more than 50% of the aggregate fair market value of the Units and the Special Voting Units may be held by non-residents of Canada and/or partnerships (other than Canadian partnerships as defined in the Tax Act). Accordingly, the Fund Declaration of Trust provides that at no time may non-residents of Canada and/or partnerships other than Canadian partnerships be the beneficial owners of more than 40% of the Units and/or Special Voting Units (on both a non-diluted and fully diluted basis for these purposes). The Trustees may require declarations as to the jurisdictions in which the beneficial owners of Units and Special Voting Units are resident or as to their status as Canadian partnerships.

If the Trustees become aware that the beneficial owners of more than 40% of the Units and/or Special Voting Units then outstanding are or may be non-residents and/or partnerships other than Canadian partnerships or that such a situation is imminent, the Trustees may make a public announcement thereof and will not accept a subscription for Units from or issue or register a transfer of Units to any person unless the person provides a declaration that he or she is not a non-resident or a partnership other than a Canadian partnership. If, notwithstanding the foregoing, the Trustees determine that more than 40% of the Units and/or Special Voting Units are held by non-residents and/or partnerships other than Canadian partnerships, they may send a notice to such holders of Units and/or Special Voting Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units and/or Special Voting Units or a portion thereof within a specified period of not more than 30 days. If the Unitholders or holders of Special Voting Units receiving such notice have not sold the specified number of Units and/or Special Voting Units or provided the Trustees with satisfactory evidence that they are not non-residents or a partnership other than a Canadian partnership within such period, the Trustees may arrange for the sale of such Units and/or Special Voting Units on behalf of such Unitholders, and in the interim, the voting and distribution rights attached to such Units and/or Special Voting Units will be suspended. Upon such sale, the affected holders will cease to be holders of the Units and/or Special Voting Units and their rights will be limited to receiving the net proceeds of such sale.

On September 16, 2004, the Minister of Finance (Canada) released draft amendments to the Tax Act relating to the circumstances under which the ownership of units of a trust by non-resident persons and partnerships other than Canadian partnerships would cause the trust to lose its status as a mutual fund trust. Under the draft amendments, a trust would lose its status as a mutual fund trust if the aggregate fair market value of all units issued by the trust held by one or more non-resident persons or partnerships that are not Canadian partnerships is more than 50% of the aggregate fair market value of all the units issued by the trust (and certain other conditions were satisfied). The draft amendments do not currently provide any means of rectifying a loss of mutual fund trust status such that if, at any time, the Fund were to lose its mutual fund trust status as a result of the application of the draft amendments, the Fund would permanently cease to be a mutual fund trust. A partnership will only qualify as a Canadian partnership at a particular time if all its members at that time are resident in Canada. To date, no legislation to enact the draft amendments has been introduced into Parliament and the Department of Finance has suspended implementation of the proposed changes pending further consultation with interested parties. Depending on the final form of the draft amendments, if enacted, it may be necessary to amend the Fund Declaration of Trust to take into account these new restrictions. Any such amendments may be made without approval of Voting Unitholders.

MARKET FOR SECURITIES

Trading Price and Volume

The Units are listed on the Toronto Stock Exchange (TSX) under the symbol RBO.UN. The price range and trading volume of the Units in 2008 on the TSX were as follows:

Month	**High** $	**Low** $	**Volume**
January	8.00	7.16	491,623
February	8.24	7.26	554,758
March	8.05	7.20	318,776
April	7.81	7.25	623,197
May	8.45	7.40	569,022
June	8.40	7.75	972,794
July	8.20	7.40	471,815
August	7.70	7.25	500,722
September	7.45	5.02	340,053
October	6.70	3.52	674,445
November	4.50	1.07	3,473,347
December	1.46	1.10	2,550,257

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

To the knowledge of the Fund, no securities are held in escrow or are subject to contractual restrictions on transfer.

TRUSTEES, DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out, for each of the current Trustees of the Fund and the directors and senior officers of the General Partner, the person's name, province and country of residence, positions with the Fund and principal occupation for the five years preceding the date of this annual information form. The term of office for each of the Trustees of the Fund and each director of the General Partner will expire at the time of the next annual meeting of Unitholders of the Fund or until his or her successor is elected or appointed. As at December 31, 2008, the Trustees of the Fund and the directors and executive officers of Resolve as a group beneficially owned, directly or indirectly, or exercised control or direction over 1,685,292 Units or 7.1% of the Units outstanding and 5,007,160 Special Voting Units or 56.1% of the Special Voting Units outstanding.

Name and Province and Country of Residence	Principal Occupation (including position held with the Fund and/or the General Partner)	Director Since
Arnold Cader[a] Toronto, ON, Canada	President, The Delphi Corporation (real estate and business consulting firm)	March 17, 2006
Richard Coles[b] Toronto, ON, Canada	Corporate Director	March 29, 2006
Robert Conconi[c] Vancouver, BC, Canada	Corporate Director[1]	March 17, 2006
Robert Franklin[d] Toronto, ON, Canada	President, Signalta Capital Corporation (private investment company)[2]	June 20, 2006
John Richardson[e] Toronto, ON, Canada	Corporate Director[3]	March 17, 2006
John Wetmore[f] Toronto, ON, Canada	Corporate Director[4]	March 17, 2006
Robert Wright[a] Toronto, ON, Canada	President, Edinglen Holdings Inc. (private investment company)[5]	March 17, 2006
Bruce Derraugh Mississauga, ON, Canada	Executive Vice President, Resolve Corporation[6]	-
Guide Di Felice Woodbridge, ON, Canada	Senior Vice President, Operations, Resolve Corporation[7]	-
Stephen Gesner Oakville, ON, Canada	Chief Information Officer, Resolve Corporation[8]	
Gerard McDonald Ajax, ON, Canada	Chief Financial Officer, Resolve Corporation[9]	-
Bruce Simmonds King City, ON, Canada	President and Chief Executive Officer, Resolve Corporation[10]	-
Donald Smith Toronto, ON, Canada	Senior Vice President, Human Resources, Resolve Corporation[11]	

Notes:

(1) Prior to March 2006, Mr. Conconi was Chief Executive Officer, Canadian Securities Registration Systems.
(2) Prior to February 2006, Mr. Franklin was Chairman, Placer Dome Inc., from April 1993.
(3) Prior to June 30, 2007, Mr. John Richardson was Chairman of the Ontario Pension Board.
(4) Prior to his retirement in March 2005, Mr. Wetmore was Vice President, ibm.com, IBM Americas, from 2001 to 2003.
(5) Prior to April 2008, Mr. Wright was Deputy Chairman of Teck Cominco Limited from June 2000.
(6) Prior to May 2006, Mr. Derraugh was Senior Vice President, Professional Services, MTS/Allstream, from 2004 to March 2006. Prior to that, he was Vice President, Sales and Marketing, Fusepoint Managed Services, from November 2002 to December 2004.
(7) Prior to January 1, 2008, Mr. Di Felice was Senior Vice President, Integrated Statement Services, Symcor Inc. from November 2002 to December 2007.
(8) Prior to January 1, 2008, Mr. Gesner was Chief Information Officer, Meridian Credit Union from March 2005 to December 2007. Prior to that, he was Vice President, Marketing, Telus from May 2004 to February 2005.
(9) Prior to December 1, 2008, Mr. McDonald was Chief Operating Officer, Minacs Worldwide Inc. from August 2006 to December 2007. Prior to that he was Chief Financial Officer and Vice President Finance, Minacs Worldwide Inc. from September 2004 to October 2006 and Vice President Finance, Minacs Worldwide Inc. from October 2001 to September 2004.
(10) Prior to December 1, 2008, Mr. Simmonds was President & Chief Executive Officer, Minacs Worldwide Inc. from November 2005 to August 2007. Prior to that, he was President & Chief Executive Officer, Clublink Corporation from December 1991 to September 2004.
(11) Prior to March 2008, Mr. Smith was Senior Vice President, Human Resources, Mackenzie Financial Corporation/Investors Group Inc. from August 2000.

(a) Mr. Cader is chair of the General Partner's compensation, nominating and governance committee. He is also a member of the General Partner's audit committee.
(b) Mr. Coles is a director and a member of the audit committee of the General Partner.
(c) Mr. Conconi is a director and a member of the compensation, nominating and governance committee of the General Partner.
(d) Mr. Franklin is a Trustee. He is also a director of the General Partner and a member of the General Partner's compensation, nominating and governance committee.
(e) Mr. Richardson is chair of the Fund's and the General Partner's audit committees and is also a member of the Fund's compensation, nominating and governance committee. He is also a director of the General Partner and a Trustee of the Fund.
(f) Mr. Wetmore is a Trustee, a member of the audit committee and a member of the compensation, nominating and governance committee of the Fund. He is also a director of the General Partner and a member of the General Partner's audit committee.
(g) Mr. Wright is the chair of the Board of Trustees and the compensation, nominating and governance committee of the Fund. He is also a member of the Fund's audit committee. Mr. Wright is also the chair of the board of directors of the General Partner.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No Trustee, director or executive officer of the Fund, the Trust, the General Partner or Resolve is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Fund) that has been subject to an order that was issued while the Trustee, director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer or was subject to an order that was issued after the Trustee, director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive or chief financial officer other than John Richardson and John Wetmore.

In November 2006, as a result of Research in Motion Limited not having filed its second quarter financial statements for fiscal 2007 before the statutory filing deadline, a management cease trade order (MCTO) was issued by the Ontario Securities Commission. The MCTO ceased to be in effect as at May 23, 2007. At the time of the MCTO, Mr. Richardson was the lead director of Research in Motion Limited. Mr. Wetmore joined the board of Research in Motion Limited in March 2007, after the MCTO was issued, but before it ceased to be in effect.

No Trustee, director or executive officer of the Fund, the Trust, the General Partner or Resolve or a Unitholder holding a sufficient number of securities of the Fund to affect materially the control of the Fund has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the such individual. No Trustee, director or executive officer of the Fund, the Trust, the General Partner or Resolve, or a unitholder holding a sufficient number of securities of the Fund to affect materially the control of the Fund has, as at the date hereof or has been within the 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such company.

Conflicts of Interest

To the best of the Fund's knowledge, there are no known existing or potential conflicts of interest between the Fund and any of its subsidiaries and any Trustee of the Fund, Trust's Trustee or any director or officer of the General Partner or Resolve, except that certain of such Trustees, Trust's Trustees, directors and officers serve as directors and officers of other companies and therefore it is possible that a conflict may arise between their duties as a Trustee, Trust's Trustee or as a director or officer of the General Partner or Resolve and their duties as a director or officer of such other companies or as set out below:

Mr. Conconi controls a company that owns the facilities leased by the Company in Burnaby, British Columbia. In addition, Mr. Conconi holds an interest in a company in Alberta that provides and purchases search and registration services to/from the Company. The ownership interest results from the provincial requirements in Alberta related to the ownership of companies using the provincial registry. The Company maintains the financial records of the Alberta company.

The Trustees of the Fund and the Trust's Trustees and the directors and officers of the General Partner and Resolve are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts, and the Fund will rely upon such laws in respect of any Trustees', directors' or officers' conflicts or in respect of any breaches of duty by any of its Trustees, the Trust's Trustees or the directors and officers of the General Partner or the Company. The Fund Declaration of Trust contains "conflict of interest" provisions that serve to protect holders of Units and holders of Special Voting Units without creating undue limitations on the Fund. The Fund Declaration of Trust contains provisions, similar to those contained in the Canada Business Corporations Act, that require each Trustee or officer to disclose to the Fund, as applicable, any interest in a material contract or transaction or proposed material contract or transaction with the Fund, or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. In any case, a Trustee or officer who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to (i) his or her remuneration as a Trustee or officer of the Fund, as applicable, (ii) insurance or indemnity or (iii) a contract or transaction with an affiliate.

PROMOTERS

Resolve Corporation, CSRS Holdings, Ltd., FirstService (controlling shareholder of Resolve prior to March 17, 2006) and ONCAP (controlling shareholder of CSRS prior to March 17, 2006) were considered to be promoters of the Fund by reason of their initiative in organizing the business and affairs of the Fund to give effect to the formation of the Fund, issuance of Units of the Fund to the public and the acquisitions of Resolve Corporation and CSRS Holdings, Ltd.

FirstService and ONCAP hold Class B LP Units of the Partnership that are exchangeable into Units of the Fund. As at December 31, 2008, FirstService and ONCAP held 2,366,545 and 892,235 Class B LP Units respectively that are exchangeable into Units of the Fund. On a fully diluted basis the interests of FirstService and ONCAP represent 7.3% and 2.7% respectively of the Fund.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of the Trustees or the directors or the executive officers of the General Partner or any Unitholder that beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Units or associate or affiliate of the same in any transaction known to the Fund or in any proposed transaction that has materially affected or would materially affect the Fund since March 17, 2006, other than Mr. Robert Conconi, a director of the General Partner, who owns, directly or indirectly 19.85% of the outstanding Units of the Fund and Marret Asset Management Inc. who, at the end of December 2008, reported holding 3,737,000 Units or 11.5% of the outstanding Units or as disclosed in the conflicts of interest or as disclosed in the notes to the consolidated financial statements of the Fund.

TRANSFER AGENT AND REGISTRAR

The Fund's transfer agent and registrar is CIBC Mellon Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The only contracts, other than contracts entered into in the ordinary course of business, that are material to the Fund and were entered into in the financial period ended December 31, 2008 or that are still in effect are as follows:

(a) the Fund Declaration of Trust dated as of February 12, 2006, and amended and restated as of March 9, 2006;

(b) the Trust Declaration of Trust dated as of March 9, 2006;

(c) the Trust Note Indenture dated March 17, 2006, between the Trust and CIBC Mellon Trust Company governing the terms of the Trust Notes;

(d) the Partnership Agreement dated as of March 9, 2006, among the General Partner and the Trust as initial limited partner, and each person who is admitted to the Partnership, governing the terms of the Partnership and the relationship among the limited partners and the General Partner thereunder;

(e) the Exchange Agreement dated March 17, 2006, among the Fund, the Trust, the General Partner, the Partnership, Resolve Corporation, CSRS Holdings Inc. and certain security holders of the Fund and/or subsidiaries, providing for the terms of exchange and related provisions governing the Exchangeable LP Units;

(f) the Investment Agreement dated March 9, 2006, among the Fund, the Trust, the Partnership, the General Partner, CSRS Holdings, Ltd., Resolve Corporation, Resolve MSS US, Inc., RBO Acquisition Inc., CSRS Acquisition Inc., ONCAP L.P., ONCAP (Cayman) L.P., Conconi Holdings Ltd., Robert Conconi, FirstService Corporation, Tom Aiton, Lawrence Zimmering, Bruno Sperduti, John Arcuri, David Horton and Harvey Schafle, governing the terms of the Fund's investment of the Offering proceeds;

(g) the Resolve Acquisitionco Notes in the amounts of $44,271,605 and $73,324,000;

(h) the CSRS Acquisitionco Notes in the amounts of $60,706,000 and $120,043,220;

(i) the US Loan Agreement dated March 17, 2006, among the Trust, Resolve MSS US, Inc., and any other guarantors party thereto setting forth the terms and conditions of the agreement and the US Note in the amount of $30,000,000;

(j) the Credit Agreement dated March 17, 2006, as amended as of January 12, 2007, December 28, 2007, April 1, 2008 and as of November 4, 2008, among the Partnership as Canadian Borrower, Resolve MSS US Inc. as US Borrower and the Trust, the General Partner, Resolve Corporation, CSRS Partnership Holding Inc., Canadian Securities Registration Systems and Resolve Southwest Inc. as Guarantors, and RBC Capital Markets and Scotia Capital as Co-Lead Arrangers, and RBC Capital Markets as Bookrunner, and Royal Bank of Canada as Administrative Agent, and The Bank of Nova Scotia as Syndication Agent, and The Toronto-Dominion Bank and National Bank of Canada as Co-Documentation Agents and Royal Bank of Canada, The Bank of Nova Scotia, The Toronto-Dominion Bank, National Bank of Canada, Bank of Montreal, BNP Paribas (Canada) and Canadian Imperial Bank of Commerce and the Other Lenders from time to time party thereto as lenders;

(k) the Underwriting Agreement dated March 9, 2006, among the Fund, the Trust, the Partnership, General Partner, CSRS Holdings, Resolve Corporation, certain of the Existing Investors, and the Underwriters, among others, setting forth the plan of distribution; and

(l) the Unitholder Rights Plan Agreement dated December 8, 2006, between the Fund and CIBC Mellon Trust Company as rights agent.

Copies of the foregoing documents are available on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

INTERESTS OF EXPERTS

The auditors of the Fund are PricewaterhouseCoopers LLP, Chartered Accountants, 5700 Yonge Street, Suite 1900, Toronto, Ontario, M2M 4K7. The Fund's consolidated annual financial statements for the period ended December 31, 2008, have been filed under National Instrument 51-102 in reliance on the report of PricewaterhouseCoopers LLP, Chartered Accountants, given on their authority as experts in auditing and accounting. To the Fund's knowledge, PricewaterhouseCoopers LLP does not hold, in registered or beneficial interest, directly or indirectly, any Units of the Fund.

AUDIT-RELATED MATTERS

Audit Committees

The mandate of the audit committee of each of the Fund and the General Partner is to provide assistance to the Board of Trustees of the Fund and to the Board of Directors of the General Partner, respectively, in fulfilling their respective financial reporting and control responsibility to the Unitholders and the investment community.

The audit committee of the Fund is comprised of three members, all of whom are independent and financially literate. The members of the audit committee of the Fund are John Richardson (Chair), Robert Wright and John Wetmore.

The audit committee of the General Partner is comprised of four members, all of whom are independent and financially literate. The members of the audit committee of the General Partner are John Richardson (Chair), Richard Coles, John Wetmore and Arnold Cader.

Mr. Richardson joined the board of the Fund and the board of the General Partner in March 2006 and became the chair of the audit committees of both the Fund and the General Partner at the same time. He was Chairman of the Ontario Pension Board, the administrator of the Public Service Pension Plan from which position he retired from in June 2007. Mr. Richardson is the lead director of Research in Motion Limited and also serves on its governance, audit and compensation committees. He is also Chairman of Boiler Inspection Insurance Company of Canada and a director of Armtec Infrastructure Income Fund and serves on its audit committee. He is a chartered accountant, a fellow of the Institute of Chartered Accountants and holds a bachelor of commerce degree from the University of Toronto and a masters of business administration from Harvard Business School.

Mr. Wright joined the board of the Fund and the board of the General Partner in March 2006. He is currently President, Edinglen Holdings Inc. and Honourary Director of Teck Cominco Limited. Mr. Wright was Deputy Chairman of Teck Cominco, a position he held from June 2000 to April 2008. He has held a variety of senior executive roles and has served on a number of boards during his career where he was required to review financial information and financial statements of companies in various industries.

Mr. Wetmore is an experienced senior executive who retired from IBM in March 2005. During his career at IBM he held various senior management positions including President (1996-2001) and Chief Financial Officer (1993-96) of IBM Canada. Mr. Wetmore was a governor on the board of the University of Waterloo as well as a member of its audit committee and was, for one year, the chair of its audit committee. Mr. Wetmore is a member of the board of Research in Motion Limited. He is also a member of the board and a member of the audit committee of Loblaw Companies Ltd. He holds a bachelor of mathematics from the University of Waterloo. Mr. Wetmore joined the board of the Fund and the board of the General Partner in March 2006.

Mr. Coles, who joined the board of the General Partner in March 2006, holds an MBA degree in marketing and finance from York University. He retired in 2001 after serving more than twenty years as a senior credit officer at Canada Trust and Manulife Financial, in which role he was regularly required to evaluate financial statements. Mr. Coles also serves on the boards of Seamark Asset Management Ltd., Manulife Bank of Canada, Elliott Page Ltd. and MMV Financial Inc.

Mr. Cader is currently President of The Delphi Corporation, a real estate and business consulting firm. He has served on several public and private corporate and charitable boards and is currently a board member of Pizza Pizza Royalty Income Fund, the Radiation Institute of Canada and United Messengers Ltd. Mr. Cader joined the board of the General Partner in March 2006. He holds an honours bachelor of commerce degree and a bachelor of laws degree from the University of Toronto.

Audit Committee Charter

The Fund and the General Partner have audit committee charters which are similar in nature. The charter of the Fund's audit committee is as follows:

I. INTRODUCTION

A. Purpose

The Board of Trustees (the "**Board**") of the Resolve Business Outsourcing Income Fund (the "**Fund**") has established an audit committee consisting of Trustees (the "**Audit Committee**"). The *Audit Committee* shall 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 *Fund*;

- the adequacy of the *Fund's* internal accounting controls and procedures and management information systems;
- the quality and integrity of the consolidated financial statements of the *Fund*; and
- the independence of the *Fund's* external auditors.

B. **Defined Terms**

Those terms used in this Charter appearing in *italics* are defined terms whose definitions may be found in Section VI – Definitions.

II. COMPOSITION

A. **Qualifications**

The *Board* shall elect annually at least three of its members to sit on the *Audit Committee.* All members of the *Audit Committee* shall be (a) *independent* and (b) *financially literate*.

B. **Affiliated Entities**

Any member of the *Audit Committee* who sits on the board of directors of an *affiliated entity* is exempt from the requirement that he or she be *independent* if that member, but for being a Trustee of the *Fund* (or member of the *Audit Committee*) and/or a director (or member of a board committee) of the *affiliated entity*, is otherwise *independent* of the *Fund* and the *affiliated entity*, provided that the *Board* has determined that appointing such member to the *Audit Committee* will not materially adversely affect the ability of the *Audit Committee* to act *independently*.

C. **Ceasing to Be Independent**

If a member of the *Audit Committee* ceases to be *independent* for reasons outside his or her reasonable control, that member is exempt from the requirement to be *independent* for a period ending the later of (a) the next annual meeting of the *Fund* and (b) the date that is six months from the occurrence of the event which caused the member to not be *independent*, provided that the *Board* has determined that allowing such member to continue to remain on the *Audit Committee* will not materially adversely affect the ability of the *Audit Committee* to act independently.

D. **Vacancies**

Where the death, disability or resignation of a member of the *Audit Committee* has resulted in a vacancy that the *Board* is required to fill, a member appointed to fill such vacancy is exempt from the requirements to be *independent* and *financially literate* for a period ending the later of (a) the next annual meeting of the *Fund* and (b) the date that is six months from the day the vacancy was created, provided that the *Board* has determined that appointing such member to the *Audit Committee* will not materially adversely affect the ability of the *Audit Committee* to act independently.

III. RESPONSIBILITIES

Subject to those powers and duties of the *Board* which may not be delegated, the *Board* hereby delegates to the *Audit Committee* the powers and duties outlined below.

A. **Review Procedures**

The Audit Committee shall:

- Review the *Fund's* consolidated annual audited financial statements, annual MD&A, annual earnings press releases and related documents prior to any public disclosure of such information;
- Review the *Fund's* consolidated interim unaudited financial results, interim MD&A, interim earnings press releases and related documents prior to any public disclosure of such information;
- Following a review with the external auditors of the *Fund's* annual and interim consolidated financial statements and related documents, recommend to the *Board* that such financial statements and related documents be approved;
- Consider the external auditors' judgments about the quality and appropriateness, and not just the acceptability, of the accounting principles and financial disclosure practices of the *Fund*, as applied in its financial reporting;
- Consider and approve, if appropriate, major changes to the *Fund's* accounting principles and practices as suggested by the external auditors or *Resolve* management and ensure that the external auditors' reasoning is described in determining the appropriateness of changes in accounting principles and disclosures;
- In consultation with *Resolve* management and the *Fund's* external auditors, consider the integrity of the financial reporting processes and controls, and disclosure controls of the *Fund*;
- Discuss significant financial risk exposures (and related insurance requirements) and the steps *Resolve* management has taken to monitor, control, and report such exposures;
- Review significant findings prepared by the external auditors together with *Resolve* management's responses;
- Review and resolve any significant disagreements among *Resolve* management and the *Fund's* external auditors in connection with the preparation of the *Fund's* financial statements;
- Annually assess the adequacy of the procedures in place for the review of the *Fund's* public disclosure of financial information extracted or derived from the *Fund's* consolidated financial statements, other than the public disclosure of the MD&A and annual and interim earnings press releases; and
- Establish procedures for (a) the receipt, retention and treatment of complaints received by the *Fund* regarding accounting, internal account controls or auditing matters and (b) the confidential, anonymous submission by employees of

Resolve of concerns regarding questionable accounting or auditing matters relating to the *Fund*.

B. **External Auditors**

The Audit Committee shall:

- Annually review and recommend to the *Board* the retention or replacement of the external auditors of the *Fund* to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the *Fund*;

- Annually review and recommend for approval of the Unitholders of the *Fund* the terms of engagement and the remuneration of the external auditor of the *Fund*;

- Pre-approve any non-audit services to be provided to *the Fund* by the *Fund's* external auditors provided that the *Audit Committee* may delegate to one or more *independent* members the authority to pre-approve non-audit services in satisfaction of this requirement. The pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the respective full *Audit Committee* at the first scheduled meeting following such approval;

- Annually, review and discuss with the *Fund's* external auditors all significant relationships the auditors have with the *Fund* and/or *Resolve* that could impair the auditors' independence;

- Review the audit plan of the Fund's external auditors and discuss the scope of the audit, staffing, materiality, locations, reliance upon management and their general audit approach;

- Consider the judgments of the *Fund's* external auditors about the quality and appropriateness of the accounting principles of the *Fund* as applied in its financial reporting; and

- Review and approve the *Fund's* hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the *Fund*.

C. **Ethical and Legal Compliance**

The *Audit Committee* shall:

- On at least an annual basis, review with the *Fund's* legal counsel any legal matters that could have a significant impact on the *Fund's* financial statements or compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies; and

- Perform any other activities consistent with this Charter, the declaration of trust of the *Fund* and governing law, as the *Audit Committee* or the *Board* deems necessary or appropriate.

D. **Annual Evaluation**

On at least an annual basis, the *Audit Committee* shall:

- Review and reassess the adequacy of this Charter; and
- Conduct self-assessment of its performance, including a review and discussion of the roles and responsibilities of the *Audit Committee*, seeking input from senior management of *Resolve* and the *Board*.

IV. AUDIT COMMITTEE PROCESSES

- The *Audit Committee* shall appoint one of its members to act as its chairman (the "**Chairman**"). The *Chairman* will appoint a secretary for each meeting of the Audit Committee who will keep minutes of such meeting (the "**Secretary**"). The *Secretary* does not have to be a member of the *Audit Committee* or a Trustee, and can be changed by simple notice from the *Chairman*.
- The *Audit Committee* shall meet at least four times annually (in person whenever possible), or more frequently as circumstances require. The *Chairman* shall prepare and/or approve an agenda in advance of each meeting.
- The *Audit Committee* may ask members of *Resolve* management or others to attend meetings and provide pertinent information as necessary. The *Audit Committee* should meet privately in an executive session at least annually with *Resolve* management, the *Fund's* external auditors (without management present), and as a committee to discuss any matters that the *Audit Committee* or any of the groups above that have been met with believe should be discussed. In addition, the *Audit Committee* should communicate with *Resolve* management quarterly to review the consolidated financial statements of the *Fund*.
- No business may be transacted by the *Audit Committee* except at a meeting of its members at which a quorum of the *Audit Committee* is present or by a resolution in writing signed by all the members of the *Audit Committee*. A majority of the members of the *Audit Committee* shall constitute a quorum.
- Any member of the *Audit Committee* may be removed or replaced at any time by the *Board* and shall cease to be a member of the *Audit Committee* as soon as the *Board* so resolves. Subject to the foregoing, each member of the *Audit Committee* shall hold such office until the next annual meeting of Unitholders of the *Fund* after his or her election.
- The *Audit Committee* shall have access to such officers and employees of *Resolve*, the *Fund's* external auditors and the *Fund's* legal counsel and to such information respecting the Fund and/or *Resolve* as it considers necessary or advisable in order to perform its duties and responsibilities.
- The time at which and the place where the meetings of the *Audit Committee* shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the *Audit Committee*, unless otherwise provided for in the declaration of trust of the *Fund* or otherwise determined by resolution of the *Board*.
- The members of the *Audit Committee* shall be entitled to receive such remuneration for acting as members of the *Audit Committee* as the *Board* may from time to time determine.

V. RESOURCES

- The *Audit Committee* shall have the authority to retain independent legal, accounting and other consultants to advise it and shall have the authority to set and pay the compensation for any such advisors.

- The *Audit Committee* may request that any member of *Resolve* management or outside consultant attend a meeting of the *Audit Committee* or meet with any members of, or consultants to, the *Audit Committee*.

VI. DEFINITIONS

"**affiliated entity**" means a person or company in relation to another person or company if (a) one of them *controls* or is *controlled* by the other or if both persons or companies are *controlled* by the same person or company or (b) the person or company is (i) both a director and employee of an *affiliated entity* or (ii) an executive officer, general partner or managing member of an *affiliated entity*.

"**Audit Committee**" shall have the meaning ascribed to such term in Section I – Introduction.

"**Board**" shall have the meaning ascribed to such term in Section I – Introduction.

"**Chairman**" shall have the meaning ascribed to such term in Section IV – Audit Committee Processes.

"**control**" means the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise.

"**financially literate**" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can be reasonably be expected to be raised by the financial statements of the *Fund* or its *subsidiary entities*.

"**Fund**" shall have the meaning ascribed to such term in Section I – Introduction.

"**independent**" means an individual who has no direct or indirect *material relationship* with the *Fund*.

"**material relationship**" means a relationship which could, in the view of the *Board*, reasonably interfere with the exercise of an *Audit Committee* member's independent judgment. Without limiting the generality of the foregoing, the following persons are considered to have a *material relationship* with the *Fund*:

(a) an individual who is, or has been within the last three years, an employee or executive officer of *Resolve*;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of *Resolve*;

(c) an individual who:

  (i) is a partner of a firm that is internal or external auditor of *Resolve* or the *Fund*;

  (ii) is an employee of that firm; or

(iii) was within the last three years a partner or employee of that firm and personally worked on the audit of *Resolve* or the *Fund* within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is internal or external auditor of *Resolve* or the *Fund*;

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or

(iii) was within the last three years a partner or employee of that firm and personally worked on the audit of *Resolve* or the *Fund* within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any member of *Resolve*'s current executive officers serves or served at that same time on the entity's compensation committee;

(f) an individual who received, or whose immediate family member who is employed as an executive officer of *Resolve* received, more than $75,000 in direct compensation from *Resolve* during any twelve month period within the last three years;

(g) an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from *Resolve*, other than as remuneration for acting in his or her capacity as (i) a member of the board of directors of any *Resolve* entity or any board committee, or as a part-time chair or vice-chair of the board or any board committee or (ii) Trustee of the *Fund* or member of any committee of Trustees, or as a part-time chair or vice-chair of the Trustees or any committee of Trustees; and

(h) is an *affiliated entity* of the *Fund*.

This list is not meant to be exhaustive. For further guidance on the issue of independence, Audit Committee members should consult Multilateral Instrument 52-110 – *Audit Committees*.

"**Resolve**" means RBO General Partner Inc., Resolve Business Outsourcing Limited Partnership and their respective *subsidiary entities*.

"**Secretary**" shall have the meaning ascribed to such term in Section IV – Audit Committee Processes.

"**subsidiary entity**" means a person or company in relation to another person or company where the person or company is (a) *controlled* by (i) that other, (ii) that other and one or more persons or companies each of which is *controlled* by that other or (iii) two or more persons or companies, each of which is *controlled* by that other or (b) a *subsidiary entity* of a person or company that is the other's *subsidiary entity*.

Audit and Related Fees

The total fees billed for the periods ended December 31, 2008 and 2007, to the Company for audit and other services provided by PricewaterhouseCoopers were:

Fee Category	**2008** **$**	2007 $
Audit Fees(1)	284,400	196,629
Audit-Related Fees(2)	5,000	98,376
Tax Fees(3)	118,865	117,983
Total Fees Billed	408,265	412,988

Notes:

(1) Billings received to December 31, 2008, on account for the audit of the annual consolidated financial statements for the year ended December 31, 2008 ($0) and for the year ended December 31, 2007 ($45,000). Total audit fees for the consolidated financial statements for the period ended December 31, 2008, are estimated at $300,000.
(2) Audit-related fees for 2008 include assistance on matters related to quarterly financial reporting and internal controls ($2,520), and other audit-related services ($2,480). Audit-related fees for 2007 include audit of certain student loan trust accounts ($36,464), assistance on matters related to quarterly financial reporting and internal controls ($11,959), services related to the acquisition of Edulinx ($35,048) and other audit-related services ($14,905).
(3) Tax fees for 2008 and 2007 are for tax compliance, tax advice and tax planning services. The fees include the preparation of tax filings, tax account analysis, tax audits, tax matters related to the acquisition and disposition of assets, assistance with the preparation of certain tax claims, assistance with the amalgamation of and wind-up of certain wholly-owned entities related to the tax efficiency and simplification of the corporate structure, and various tax consultations. Tax fees for 2008 also include $57,200 related to the strategic review process.

ADDITIONAL INFORMATION

Additional information regarding the Fund can be found on SEDAR at www.sedar.com.

Additional information, including the remuneration and indebtedness of Trustees, directors and officers of the Fund and its subsidiaries and principal holders of the Fund's securities, is contained in the Fund's information circular. Additional financial information is provided in the Fund's financial statements and MD&A for the period ended December 31, 2008.