



The Public Utilities Commission of Ohio

Original CRS Case Number	Version
12 - 1510 -EL-CRS	August 2004

RENEWAL APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-11 Corporate Structure). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

**This PDF form is designed so that you may input information directly onto the form.
You may also download the form, by saving it to your local disk, for later use.**

A. RENEWAL INFORMATION

A-1 Applicant intends to be renewed as: (check all that apply)

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Retail Generation Provider | <input type="checkbox"/> Power Broker |
| <input checked="" type="checkbox"/> Power Marketer | <input type="checkbox"/> Aggregator |

A-2 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address

Legal Name FTR Energy Services, LLC
Address 1055 Washington Blvd., 7th Floor, Stamford, CT 06901
PUCO Certificate # and Date Certified 12-523E(1) June 9, 2012
Telephone # (877) 811-7023 Web site address (if any) ftrenergyservices.com

A-3 List name, address, telephone number and web site address under which Applicant does business in Ohio

Legal Name FTR Energy Services
Address 1055 Washington Blvd., 7th Floor, Stamford, CT 06901
Telephone # (877) 811-7023 Web site address (if any) ftrenergyservices.com

A-4 List all names under which the applicant does business in North America

FTR Energy Services, LLC

A-5 Contact person for regulatory or emergency matters

Name Barbara Clay

Title SVP & General Counsel

Business address 1055 Washington Blvd., 7th Floor, Stamford, CT 06901

Telephone # (203) 663-5079

Fax # (203) 663-8397

E-mail address (if any) bclay@criusenergy.com

A-6 Contact person for Commission Staff use in investigating customer complaints

Name Barbara Clay

Title SVP & General Counsel

Business address 1055 Washington Blvd., 7th Floor, Stamford, CT 06901

Telephone # (203) 663-5079

Fax # (203) 663-8397

E-mail address (if any) bclay@criusenergy.com

A-7 Applicant's address and toll-free number for customer service and complaints

Customer Service address 1055 Washington Blvd., 7th Floor, Stamford, CT 06901

Toll-free Telephone # (877) 811-7023

Fax # _____

E-mail address (if any) support@ftrenergyservices.com

A-8 Applicant's federal employer identification number # 99-0369468

A-9 Applicant's form of ownership (check one)

☐ Sole Proprietorship

☐ Limited Liability Partnership (LLP)

☐ Corporation

☐ Partnership

☒ Limited Liability Company (LLC)

☐ Other _____

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

A-10 Exhibit A-10 "Principal Officers, Directors & Partners" provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

A-11 Exhibit A-11 "Corporate Structure," provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America.

B. MANAGERIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- B-1** Exhibit B-1 "Jurisdictions of Operation," provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.
- B-2** Exhibit B-2 "Experience & Plans," provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.
- B-3** Exhibit B-3 "Disclosure of Liabilities and Investigations," provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.
- B-4** Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.
☐ No ☒ Yes

If yes, provide a separate attachment labeled as Exhibit B-4 "Disclosure of Consumer Protection Violations" detailing such violation(s) and providing all relevant documents.

- B-5** Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.
☒ No ☐ Yes

If yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation" detailing such action(s) and providing all relevant documents.

C. FINANCIAL CAPABILITY AND EXPERIENCE

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- C-1** Exhibit C-1 "Annual Reports," provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.

- C-2** **Exhibit C-2 “SEC Filings,”** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.
- C-3** **Exhibit C-3 “Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.
- C-4** **Exhibit C-4 “Financial Arrangements,”** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).
- C-5** **Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRES operation, along with a list of assumptions, and the name, address, e-mail address, and telephone number of the preparer.
- C-6** **Exhibit C-6 “Credit Rating,”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody’s Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant.
- C-7** **Exhibit C-7 “Credit Report,”** provide a copy of the applicant’s credit report from Experion, Dun and Bradstreet or a similar organization.
- C-8** **Exhibit C-8 “Bankruptcy Information,”** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.
- C-9** **Exhibit C-9 “Merger Information,”** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

D. TECHNICAL CAPABILITY

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- D-1 Exhibit D-1 "Operations" provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.
- D-2 Exhibit D-2 "Operations Expertise," given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations.
- D-3 Exhibit D-3 "Key Technical Personnel," provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant's business.
- D-4 Exhibit D-4 "FERC Power Marketer License Number," provide a statement disclosing the applicant's FERC Power Marketer License number. (Power Marketers only)

Bly General Counsel
Signature of Applicant and Title

Sworn and subscribed before me this 4th day of May, 2014
Month Year

Andrea Martino
Signature of official administering oath

Andrea Martino, Senior Counsel
Print Name and Title

My commission expires on August 31, 2018

ANDREA MARTINO
NOTARY PUBLIC
State of Connecticut
My Commission Expires
August 31, 2018

AFFIDAVIT

State of Connecticut:

Stamford ss.
(Town)

County of Fairfield :

Barbara Clay, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the Sup. General Counsel (Office of Affiant) of FTREnergy Services LLC (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
7. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

[Signature]
Signature of Applicant & Title

Sworn and subscribed before me this 9th day of May, 2014
Month Year

[Signature]
Signature of official administering oath

Andrea Martino, Senior Paralegal
Print Name and Title

My commission expires on Aug 31, 2018

ANDREA MARTINO
NOTARY PUBLIC
State of Connecticut
My Commission Expires
August 31, 2018

SUMMARY OF EXHIBITS

EXHIBIT A-10	PRINCIPAL OFFICERS, DIRECTORS & PARTNERS
EXHIBIT A-11	CORPORATE STRUCTURE
EXHIBIT B-1	JURISDICTIONS OF OPERATION
EXHIBIT B-2	EXPERIENCE & PLANS
EXHIBIT B-3	DISCLOSURE OF LIABILITIES AND INVESTIGATIONS
EXHIBIT B-6	DISCLOSURE OF CONSUMER PROTECTION VIOLATIONS
EXHIBIT C-1	ANNUAL REPORTS
EXHIBIT C-2	SEC FILINGS
EXHIBIT C-3	FINANCIAL STATEMENTS
EXHIBIT C-4	FINANCIAL ARRANGEMENTS
EXHIBIT C-5	FORECASTED FINANCIAL STATEMENTS (CONFIDENTIAL)
EXHIBIT C-6	CREDIT RATING
EXHIBIT C-7	CREDIT REPORT
EXHIBIT C-8	BANKRUPTCY INFORMATION
EXHIBIT C-9	MERGER INFORMATION
EXHIBIT D-1	OPERATIONS
EXHIBIT D-2	OPERATIONS EXPERTISE
EXHIBIT D-3	KEY TECHNICAL PERSONNEL
EXHIBIT D-4	FERC POWER MARKETER LICENSE NUMBER

FTR ENERGY SERVICES LLC

EXHIBIT A-10

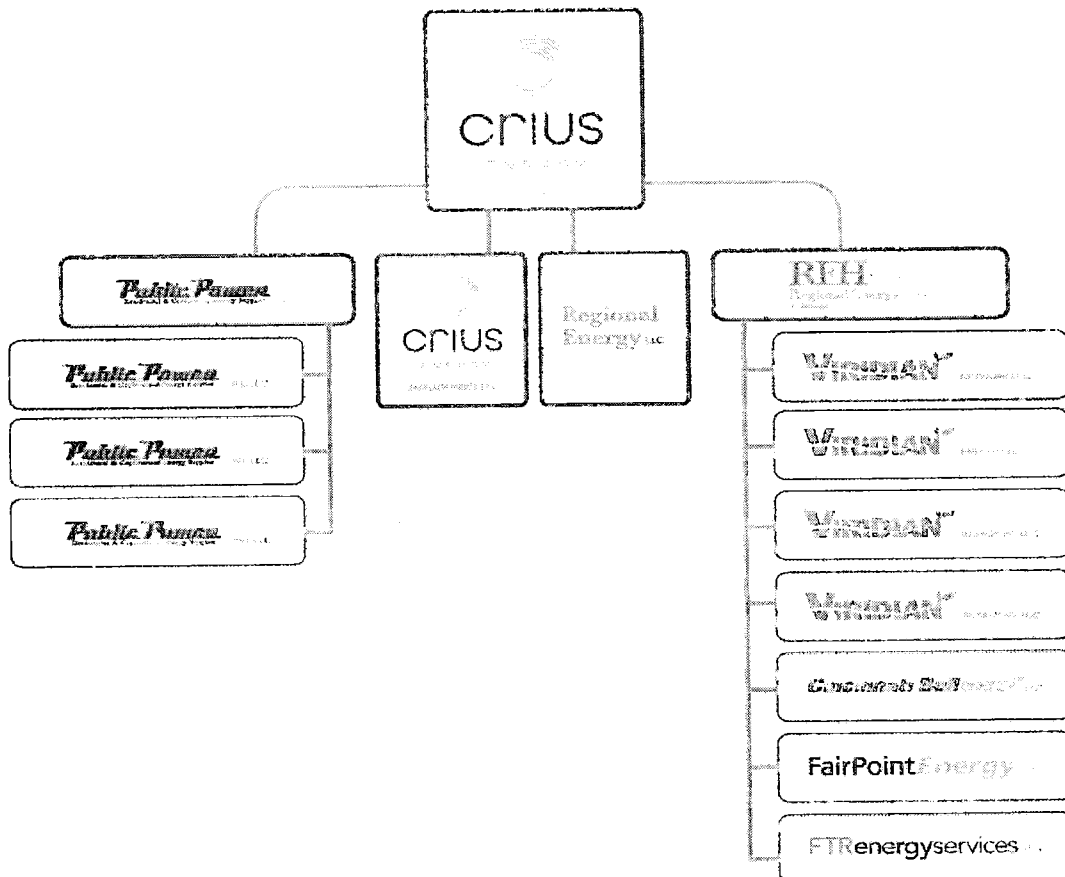
"Principal Officers, Directors & Partners" provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

Name	Title	Address	Phone Numbers
Michael J. Fallquist	CEO	1055 Washington Blvd., 7 th Floor Stamford, CT 06901	203-663-5089
Roop Bhullar	CFO	1055 Washington Blvd., 7 th Floor Stamford, CT 06901	203-663-5089
Chaitu Parikh	COO	1055 Washington Blvd., 7 th Floor Stamford, CT 06901	203-663-5089
Cami Boehme	CSO	1055 Washington Blvd., 7 th Floor Stamford, CT 06901	203-663-5089
Christian McArthur	EVP, Procurement, Pricing and Product Engineering	1055 Washington Blvd., 7 th Floor Stamford, CT 06901	203-663-5089
Barbara Clay	SVP & General Counsel	1055 Washington Blvd., 7 th Floor Stamford, CT 06901	203-663-5089
Regional Energy Holdings, LLC	LLC Member	1055 Washington Blvd., 7 th Floor Stamford, CT 06901	N/A

EXHIBIT A-11

"Corporate Structure," provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America.

FTR Energy Services, LLC ("FTR") is a wholly owned subsidiary of Regional Energy Holdings, Inc. ("REH"). REH is a wholly owned subsidiary of Crius Energy, LLC ("Crius"). Both REH and Crius are holding companies that own energy service companies across the deregulated energy markets of North America. As a wholly owned subsidiary of REH and Crius, FTR has the following affiliates: Public Power, LLC, a Connecticut limited liability company; Public Power, LLC, a Pennsylvania limited liability company; Public Power & Utility of New Jersey, LLC; Public Power & Utility of Maryland, LLC; Viridian Network, LLC; Viridian Energy LLC; Viridian Energy NY, LLC; FairPoint Energy, LLC; Cincinnati Bell Energy, LLC; and Viridian Energy PA, LLC. Please see the attached diagram of the Crius corporate structure.



FTR ENERGY SERVICES LLC

EXHIBIT B-1

“Jurisdictions of Operation,” provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail natural gas service, or retail/wholesale electric services.

The following Cirus entities are licensed to sell retail electricity in the following jurisdictions:

State	Entity
Connecticut	Viridian Energy, LLC
	Public Power, LLC
District of Columbia	Viridian Energy PA, LLC
	Viridian Network, LLC (broker license)
	Public Power, LLC
Delaware	Viridian Energy PA, LLC
	Viridian Network, LLC (broker license)
Illinois	Viridian Energy PA, LLC
	Public Power, LLC*
	FTR Energy Services
Maine	FairPoint Energy, LLC
Maryland	Viridian Energy PA, LLC
	Public Power & Utility of Maryland, LLC
Massachusetts	Viridian Energy, LLC
	Public Power, LLC*
New Hampshire	FairPoint Energy, LLC
New Jersey	Viridian Energy PA, LLC
	Public Power & Utility of New Jersey, LLC
New York	Viridian Energy NY, LLC
	FTR Energy Services, LLC
	Public Power, LLC
Ohio	Cincinnati Bell Energy, LLC
	FTR Energy Services, LLC
	Public Power, LLC
Pennsylvania	Viridian Energy PA, LLC
	Public Power, LLC
	FTR Energy Services*
Rhode Island	Public Power, LLC*
	Viridian Energy, LLC*

FTR ENERGY SERVICES LLC

The following Crius entities are licensed to sell natural gas in the following jurisdictions:

State	Entity
Indiana	FTR Energy Services, LLC*
	Viridian Energy PA, LLC*
Illinois	FTR Energy Services, LLC*
New Jersey	Viridian Energy PA, LLC
	Public Power & Utility of New Jersey, LLC
New York	Viridian Energy NY, LLC*
	Viridian Energy PA, LLC
	FTR Energy Services, LLC
	Public Power, LLC
Ohio	Cincinnati Bell Energy, LLC
	Viridian Energy PA, LLC *
	FTR Energy Services, LLC
Pennsylvania	Viridian Energy PA, LLC
	FTR Energy Services, LLC*
Maryland	Viridian Energy PA, LLC
Washington D.C.	Viridian Energy PA, LLC
Virginia	Viridian Energy PA, LLC

** These entities are licensed to conduct business related to electricity or natural gas supply service, but are not currently conducting business*

EXHIBIT B-2

"Experience & Plans," provide a current description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

Experience:

Crius Energy (Applicant's parent) services more than 600,000 residential and commercial customers in 14 states and the District of Columbia through a family of best in class brands. FTR Energy Services currently provides electricity and natural gas to retail customers in 4 states.

FTR Energy Services, LLC, a subsidiary of Crius Energy LLC, has the necessary operational and managerial capabilities to serve all customer classes, including residential, commercial and industrial customers. The Crius management team is comprised of individuals with significant experience in wholesale and retail energy supply. Specifically the management team is comprised of:

- Michael Fallquist, CEO
- Roop Bhullar, CFO
- Chaitu Parikh, COO
- Cami Boehme, CSO
- Christian McArthur, EVP Procurement, Pricing and Product Engineering
- Barbara Clay, SVP and General Counsel

Contracting with Customers

Applicant has an exclusive marketing partnership with Frontier Communications to market the Applicant's energy service under their brand name and through their respective sales forces and distribution channels. Although Applicant relies upon the well-established marketing capabilities of Frontier Communications, the customers acquired through this channel have contractual relationships with the Applicant.

Providing Contracted Services

Applicant currently provides customers with affordable green electricity and natural gas in 4 states.

Providing Billing Statements

Applicant does not provide its own billing statements. It provides consolidated billing with the utility.

Responding to Customer Inquiries and Complaints

Applicant operates an in-house telephone customer care center to answer any questions that customers may have. When a customer calls in with a question or complaint, the customer service representative will work with them to address any issue or problem. If the customer asks to have their enrollment cancelled, the customer service representative processes it immediately.

Any complaints or questions that are not resolved by the customer care representatives are then escalated to the Compliance Department. The Compliance Investigators serve as the primary point of contact for complaint resolution. Once Applicant's Compliance Department receives a customer complaint, an Investigator contacts the complaining party within 5 business days and gathers all pertinent information. Applicant then works with the customer to reach a mutually agreeable resolution with the goal of achieving customer satisfaction.

EXHIBIT B-3

"Disclosure of Liabilities and Investigations," provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

AS PREVIOUSLY DISCLOSED TO THE COMMISSION

The matters below were previously disclosed to the Commission with Applicant's affiliate, Cincinnati Bell Energy LLC's renewal application. However, they do not adversely impact the Applicant's financial or operational status or ability to provide services.

Viridian Energy PA, LLC – Maryland, License No. IR-1840 (Case No. 9255, Order No. 84959)

In January 2011, the Staff of the Maryland Public Service Commission filed a complaint against Viridian Energy PA, LLC ("Viridian") alleging that Viridian had violated the Maryland customer protection rules by providing misleading representations in late 2010. Among other things, Staff initially sought to revoke or suspend Viridian's Maryland license.

A hearing was conducted in February 2011 and in March 2011. Thereafter Commission Staff and Viridian filed a Joint Recommendation that did not revoke or suspend Viridian's license. Fifteen months later on June 7, 2012, the Commission assessed a civil penalty of \$60,000 against Viridian, relating to instances of past behavior, and rejected Commission Staff's initial request to revoke or suspend Viridian's license and bar it from seeking new customers. In so doing, the Commission commended Viridian for strengthening its compliance program.

Public Power LLC – Pennsylvania, Docket #A-2009-2143245

Public Power LLC, a Pennsylvania limited liability company ("PA Subsidiary"), was investigated by the Bureau of Investigation and Enforcement ("BIE") of the Pennsylvania Public Utility Commission ("PUC") for alleged unauthorized customer enrollments. It was found that the unauthorized enrollments resulted from a data entry error by a third-party telemarketer acting on behalf of the PA Subsidiary. Upon discovery of the mistake, Public Power contacted and worked cooperatively with the EDC to rescind the transfers. On or about November 19, 2012 the parties reached a settlement of the allegations for \$64,450 plus customer refunds of approximately \$22,000.

Public Power LLC – Connecticut, Docket #07-06-13 (Docket No. 11-10-06) October 2011

Approximately one year ago, the Connecticut Public Utilities Regulatory Authority (“PURA”) opened Docket 11-10-06 to investigate customer complaints that Public Power may have charged rates in excess of its contracts and failed to timely respond to inquiries alleging unauthorized switching of customers from other electric generation service providers to Public Power. The Office of the Connecticut Attorney General and the Office of Consumer Counsel participated in the resolution of this matter. The Prosecutorial Unit appointed by the PURA found no evidence that Public Power charged rates in excess of its contracts. However, to foster good will, Public Power issued credits to the identified customers. As to the unauthorized customer switching allegations, an authorized switch could not be proven as to six customers. Public Power and the Prosecutorial Unit entered into a settlement agreement under which Public Power would make a charitable contribution of \$6,000, in lieu of a civil penalty. The Settlement Agreement was submitted to PURA on June 28, 2012 and is subject to formal and was formally approved on May 15, 2013.

Public Power LLC – Connecticut, Docket #07-06-13 (Docket No. 07-06-13) September 2010

The Connecticut Public Utilities Regulatory Authority (the “Authority”) opened Docket 07-06-13 RE03 on or about September 1, 2010 to investigate whether Public Power’s electric supplier license was transferred without the Authority’s prior approval. The Authority began its investigation largely, as a result of correspondence dated July 27, 2010, in which Public Power notified the Authority of certain organizational changes, specifically, that its business address changes to Danbury, Connecticut and that Robert Gries, Jr. was now its President and CEO. The case was settled and closed informally on June 20, 2012.

Public Power LLC – Connecticut, Docket #07-06-13 (Docket No. 13-02-08) February 2013

Public Power LLC is currently being investigated by the Connecticut Public Utilities Regulatory Authority (“PURA”) due to a spike in slamming complaints during 2012. The vast majority of these complaints were the result of enrollments that took place before the Crius management team took over management of Public Power. The purpose of the investigation is to determine whether Public Power engaged in slamming. The investigation is currently ongoing and Public Power is providing PURA with all requested documents and information.

FERC Docket Nos. ER12-2250-000 et al.

On September 14, 2012, in response to a Public Power filing the Federal Energy Regulatory Commission (“FERC”) issued a delegated letter order to four Public Power, LLC subsidiaries,

granting each of them market-based rate authority on a prospective basis (FERC Docket Nos. ER12-2250-000 et al.). The four entities are Public Power & Utility of New Jersey, LLC, Public Power & Utility of NY, Inc., Public Power (PA), LLC and Public Power & Utility of Maryland, LLC (the "Entities"). This action resulted from the limited type of wholesale energy sales- "balancing energy sales" being conducted by Public Power. Each of the Entities engaged, in the past, in these balancing energy wholesale sales, and did so without market-based rate authority during the pertinent period. Such transactions come about when, for example, an entity offers to purchase 10 MWh in the day-ahead market, and in real-time ultimately purchases 9 MWh, with the 1 MWh difference deemed a sale back to the RTO under RTO rules. It is those past wholesale balancing sales that were the subject of the above FERC filing and order refund reports. As a result of these past sales, FERC required the filing of refund reports and the submission of data indicating why refunds would not be required. The Entities made the required submission within the thirty days of the issuance of the September 14, 2012 order and request. The Entities expect to have zero refund liability.

The need for FERC Market Base Rate Authority was discovered during the due diligence process preceding the combination of the REH and Public Power. The Public Power Entities were unaware that market-based rate authority was required for real-time balancing sales.

***“Disclosure of Consumer Protection Violations,”** disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.*

In January 2011, the Staff of the Maryland Public Service Commission filed a complaint against Viridian Energy PA, LLC (“Viridian”) alleging that Viridian had violated the Maryland customer protection rules by providing misleading representations in late 2010. Among other things, Staff initially sought to revoke or suspend Viridian's Maryland license.

A hearing was conducted in February 2011 and in March 2011. Thereafter Commission Staff and Viridian filed a Joint Recommendation that did not revoke or suspend Viridian's license. Fifteen months later on June 7, 2012, the Commission assessed a civil penalty of \$60,000 against Viridian, relating to instances of past behavior, and rejected Commission Staff's initial request to revoke or suspend Viridian's license and bar it from seeking new customers. In so doing, the Commission commended Viridian for strengthening its compliance program.

FTR ENERGY SERVICES LLC

EXHIBIT C-1

***“Annual Reports,”** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.*

Prior to November 13, 2012, Applicant was a privately held company, and did not publish an annual report to shareholders. As of November 13, 2012, FTR Energy Services, LLC’s ultimate parent entity, Crius Energy Trust, became a publicly-traded entity traded on the Toronto Stock Exchange, under the ticker symbol “KWH.UN”. Crius Energy Trust is required to file regular disclosures to its shareholders.

Please see the Crius Energy Trust website (“Trust Website”) for a listing of all recent filings, at <http://www.criusenergytrust.ca>. The most recent relevant filings, as stated on the aforementioned website are: (1) Management’s Discussion and Analysis – March 26, 2014, (2) Management Information Circular – April 24, 2014 and (3) Annual Information Form for the Year Ended December 31, 2013, all attached here as Exhibit C-1 for your convenience (and also available at the Trust Website).



MANAGEMENT'S DISCUSSION AND ANALYSIS CRIUS ENERGY TRUST

March 25, 2014

The following management's discussion and analysis ("**MD&A**") for Crius Energy Trust (the "**Trust**") dated March 25, 2014 has been prepared with all information available up to and including March 25, 2014. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012. The Trust's financial statements and other disclosure documents, including the Trust's Annual Information Form for the year ended December 31, 2013, dated March 25, 2014, are available on www.sedar.com and on the Trust's website at www.criusenergytrust.ca. The Trust's units are traded on the Toronto Stock Exchange under the symbol "KWH.UN".

The audited consolidated financial statements of the Trust are prepared in accordance with International Financial Reporting Standards ("**IFRS**") and are presented in United States dollars. All figures within this MD&A are presented in United States dollars unless otherwise indicated. Certain totals, subtotals and percentages may not reconcile due to rounding.

Certain information contained in this MD&A constitutes "forward-looking statements". Investors should read the "Note about Forward-Looking Statements" section at the end of this MD&A.

Non-IFRS financial measures

Statements throughout this MD&A make reference to EBITDA and Adjusted EBITDA, which are non-IFRS financial measures commonly used by financial analysts in evaluating the financial performance of companies, including companies in the energy retailing industry. Accordingly, Management believes EBITDA and Adjusted EBITDA may be useful metrics for evaluating the Trust's financial performance as they are measures that Management uses internally to assess performance, in addition to IFRS measures. As there is no generally accepted method of calculating EBITDA and Adjusted EBITDA, these terms as used herein are not necessarily comparable to similarly titled measures of other companies. The items excluded from EBITDA are significant in assessing the Trust's operating results and liquidity. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. EBITDA is calculated as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA adjusted to exclude any change in the fair value of derivative instruments, change in fair value of non-controlling interest, unit based compensation and distributions to non-controlling interest. See the "Reconciliation of Net Income and Comprehensive Income to EBITDA and Adjusted EBITDA" section of this MD&A for a reconciliation of EBITDA and Adjusted EBITDA to net income and comprehensive income as calculated under IFRS for the periods, the most directly comparable measure in the Trust's audited consolidated financial statements. Other financial data has been prepared in accordance with IFRS.

Overview

The Trust is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario on September 7, 2012. The Trust was established to provide investors with a distribution-producing investment through the acquisition of an approximate 26.8% ownership interest ("**Acquisition of the Company Interest**") in Crius Energy LLC ("**Crius Energy**" or the "**Company**") by its indirect wholly-owned subsidiaries. The Trust's ownership interest in the Company entitles it, through its wholly-owned subsidiaries, to appoint a majority of the members of the board of directors of the Company, and thereby to control the day-to-day operations of the Company.

Throughout this MD&A, the Trust and its subsidiaries are collectively referred to as the "Trust" and the term "Company" or "Crius Energy" refers to Crius Energy LLC and its consolidated subsidiaries. In addition, references to the results of operations refer to operations of the Company, of which the Trust holds an approximate 26.8% ownership interest. Operations officially commenced on November 13, 2012, concurrent with the initial public offering of the Trust (the "IPO") and the Trust's acquisition of an approximate 26.8% ownership interest in the Company.

Crius Energy is a comprehensive energy solutions partner that provides electricity, natural gas and solar products to residential and commercial customers. The Company goes to market through an innovative family-of-brands strategy that gives various and targeted customer segments access to a broad suite of energy products and services that make it easier for consumers to make informed decisions that address their energy needs. This multi-channel marketing approach differentiates Crius Energy in the marketplace, enhances customer retention and positions the Company to achieve long-term growth for investors. Crius Energy LLC currently sells electricity, natural gas, and/or solar energy products and services in 19 states and the District of Columbia.

2012 Comparative Financial Information

The Trust was formed on September 7, 2012 and did not begin active operations until November 13, 2012, including closing its IPO and completing the Acquisition of the Company Interest. Therefore, financial information presented in this MD&A for the period from inception on September 7, 2012 to December 31, 2012 has limited usefulness for comparison purposes.

2013 Highlights

- 15.1% year-over-year growth in electricity and natural gas customers to 615,373, up from 534,564 as at December 31, 2012, representing 80,809 net customers added. The strong growth was led by our Network Marketing and Strategic Marketing Partnership channels, up 23% and 161% in the period
- Sold 5.1 million MWh of electricity, 4.7 million MMBtu of natural gas and solar systems with total generation capacity of 2,200 KW
- Revenue of \$507.1 million
- Gross margin of \$103.4 million, representing 20.4% of revenue
- Adjusted EBITDA of \$32.2 million, representing 6.3% of revenue
- Total distributions of \$37.3 million paid, normalized for distributions related to the 2012 stub period
- Total cash and availability of \$27.5 million, consisting of \$15.3 million in cash and \$12.2 million available under our credit facility
- Product suite expanded to include residential solar energy products and services through marketing relationship with SolarCity
- Expanded electricity and natural gas service offerings under multiple brands:
 - Viridian Energy entered two new electric utility service areas, five new natural gas utility service areas and three new states
 - FTR Energy Service entered three new electric utility service areas and one new state
 - Public Power entered five new electric utility service areas and three new natural gas utility service areas
- Acquired a portfolio of residential and small commercial customer accounts in New Hampshire from PNE Energy Supply LLC
- Strengthened the management team through the appointments of Chaitu Parikh as Chief Operating Officer, Seth Zuckerman as Senior Vice President of Finance, and Pradeep Tiwari as Vice President of Information Technology. In addition, Meredith Berkich was promoted to President of Viridian Energy and Cami Boehme was promoted to the newly created position of Chief Strategy Officer

Q4 2014 Highlights

- Sold 1.2 million MWh of electricity, 1.9 million MMBtu of natural gas and solar systems with total generation capacity of 2,000 KW
- 0.8% quarter-over-quarter growth in electricity and natural gas customers to 615,373, up from 610,459 as at September 30, 2013, representing 4,914 net customers added
- Revenue of \$128.6 million
- Gross margin of \$24.9 million, representing 19.4% of revenue
- Adjusted EBITDA of \$6.1 million, representing 4.7% of revenue. Adjusted EBITDA was impacted by a year-end adjustment of \$2.6 million relating to a change in estimate of the uncollectibility of customer accounts receivable balances in markets where we are subject to credit risk. Normalizing for this impact, Adjusted EBITDA was \$8.7 million in the quarter.

Highlights Subsequent to 2013

- Expanded working capital facility with Macquarie Energy from \$25.0 million to \$60.0 million of availability. As at December 31, 2013, on a pro-forma basis, total cash and cash availability would have more than doubled from \$27.5 million to \$63.6 million
- Added new distribution channel for solar energy products through expansion of existing partnership with Frontier Communications. Starting in April 2014, Frontier Communications will begin selling solar energy products to their existing subscriber base in California, the largest solar market in the United States, through multiple inbound customer care facilities across their regions. This offering is expected to be extended to include Frontier Communications subscribers in Arizona, Oregon, Colorado and New York.
- Expanded the strategic marketing partnership with Frontier Communications as the Company gained access to multiple inbound customer care facilities to sell natural gas and electricity to Frontier Communications subscribers in California, Illinois, Indiana, New York and Ohio under the FTR Energy Services brand name.
- Continued to strengthen the management team through the following appointments:
 - Christian McArthur was appointed to the position of Executive Vice President of Energy Supply and Pricing. Mr. McArthur has over 10 years of experience in the retail energy industry, most recently serving as Senior Vice President for Just Energy where he was responsible for energy supply operations for all North American businesses.
 - Barbara Clay was promoted to position of General Counsel of the Company. In her role, Ms. Clay oversees the legal and regulatory functions of the Company. Prior to her promotion, Ms. Clay had day-to-day responsibility for the regulatory affairs of the Company. Ms. Clay was also appointed an Officer of the Trust.
 - Martin Phillips was appointed to the position of Vice President of Human Resources. Mr Phillips has approximately 20 years practicing HR in a number of different industries, most recently with ConEdison Solutions, the deregulated energy business of ConEdison. Prior to ConEdison Solutions, he spent ten years as Senior Manager, HR with Philips Electronics and as a corporate HR manager with William M. Mercer Consulting and a division of Navigant.

2013 Discussion

The year 2013 was the first full year of operation for Crius Energy Trust. Following the merger of Regional Energy Holdings, Inc. and Public Power, LLC in September 2012, the Trust listed on the Toronto Stock Exchange in November 2012.

Total revenue for 2013 was \$507.1 million driven by our strong customer growth and higher average retail prices paid by customers. Electricity revenue was \$475.4 million, natural gas revenue was \$26.6 million, fee revenue from independent contractors was \$4.1 million and solar revenue was \$1.0 million. Revenue growth was highlighted by the strong contribution by our Network Marketing channel which generated \$266.9 million of revenue in 2013.

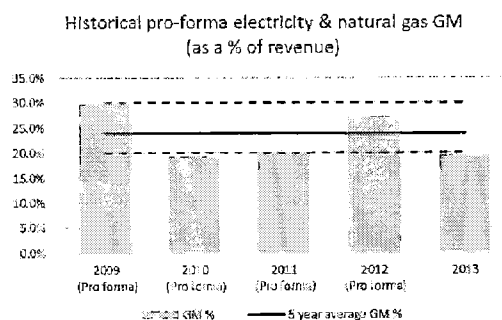
In this first full year of operations the Company focused on growing its customer base, strengthening its distribution channels, diversification of revenues and investment in technology and human capital. The Company grew 15.1% year-over-year in electricity and natural gas customers to 615,373, up from 534,564 as at December 31, 2012. This growth represented 80,809 net customers added in the period.

Customer growth was driven by the Network Marketing and Strategic Marketing Partnership channels, with 23% and 161% growth respectively. The Company's Network Marketing and Strategic Marketing Partnership channels, known as "warm" marketing channels due to the existing relationship between the customer and the sales agent, are typically more successful in highly competitive market conditions due to their lower attrition rates and ability to solicit customers not accessible through more traditional marketing tactics (e.g. telemarketing and door-to-door). In addition, customers acquired through our Network Marketing and Strategic Marketing Partnership channels typically have a greater customer lifetime value as a result of higher energy usage and/or longer retention.

Net customer growth in the Direct Marketing channel was negative in 2013, representing a 7% net decline in customers year-over-year. This channel is known as a "cold" marketing channel due to the lack of relationship between the customer and the sales agent. In highly competitive markets, the use of mainstream "cold" marketing tactics such as telemarketing and door-to-door are typically less successful as the same customers are targeted by multiple companies. Management continue to invest in the Direct Marketing channel as it is an important part of our multi-channel distribution platform. Although historically, the Company has primarily used telemarketing and door-to-door sales tactics in the Direct Marketing channel, management is currently exploring plans to implement other direct marketing methodologies in this channel that may improve customer acquisition, increase customer retention and drive future performance.

The customer growth in the period resulted in continued diversification of our business which management believes will mitigate volatility in our earnings going forward by reducing exposure to risks including, but not limited to, weather variation impacting customer consumption (volumetric risk). In particular, the Company saw positive trends in diversification of commodity (electricity, natural gas), product (fixed, variable, solar), geography and segment (commercial, residential).

Gross margin was \$103.4 million, or 20.4% of total revenues, which is at the low end of the Company's pro-forma historical range of approximately 20% to 30% of revenue as illustrated in the graph below.



Gross margin varied by quarter from a high of 24.2% in the second quarter of 2013 to a low of 17.5% in the first quarter. Gross margin was lower than the prior five year average due to volatile weather conditions encountered in certain quarters during the year and supply-side natural gas constraints in ISO-New England. In addition, new customer acquisition was highly competitive resulting in introductory rates offered at gross margins lower than historical averages driving down the average gross margin per customer across our entire customer portfolio in 2013.

Management also made significant investments in technology and human capital during 2013 which increased overall expenses and reduced earnings. Management believe the investments in technology are important as the Company competes in an increasingly competitive and dynamic market where cost to serve each customer will become an important driver of success. While additional investment will be required going forward, the Company expects to start benefiting from the investment made in 2013 by generating cost savings from automation, improving sales and billing processes and promoting organic growth. Similarly, the Company made an investment in human capital in the period hiring top industry talent including Chaitu Parikh (Chief Operating Officer), Seth Zuckerman (SVP Finance) and Pradeep Tiwari (VP Information Technology).

Adjusted EBITDA for 2013 was \$32.2 million, or 6.3% of revenue. Adjusted EBITDA for our first full year of operation was affected by higher expenses and lower gross margins from our electric customers, balanced by growing contributions from our natural gas customer base as well as the launch of the new solar product at the end of the third quarter. The contribution from each of our three products is discussed below.

Electricity

The contribution from our electricity portfolio was below expectations in 2013, driven by gross margin performance at the low end of our historical pro-forma range of approximately 20% to 30% of revenue. Electricity gross margin was affected by, among other factors, weather volatility in the first and third quarters of the year and supply-side natural gas constraints in ISO-New England primarily impacting first quarter wholesale market prices. These quarters include the months of January, February, July and August which traditionally have the highest demand for electricity. In 2013, these months experienced weather volatility which caused customer usage to deviate from historic norms impacting the Company's hedge position and exposing it to higher spot energy prices. While these conditions impact the industry in general, they have an exaggerated impact on our business due to our high concentration of customers in the New England and mid-Atlantic markets as well as our predominantly residential electric customer base, which is most sensitive to deviations in weather patterns. The Company is focused on diversifying geographically to reduce this exposure as well as expand further into the commercial segment, which is generally less sensitive to weather impacts. Related to geographic diversification, our electric customer base in the New York ISO service territory increased from 6.1% of the electric portfolio at the beginning of the year to 13.8% at the end of the year and, as a result, the electric customer base in our core service areas of ISO-New England and PJM were reduced by 1.6% and 7.3% respectively.

The Company sold 5,112,737 MWh of electricity in 2013 in 12 states and the District of Columbia. At year end, Crius Energy had 536,429 electricity customers, an increase of 38,369 or 7.7% from the beginning of the year. Electricity revenue was \$475.4 million, accounting for 93.8% of total revenue. Gross margin for electricity was \$93.4 million or 19.7% of revenue.

Natural Gas

Management is pleased with strong contribution of natural gas to gross margins in the year. As part of the company-wide diversification strategy, management successfully grew the natural gas customer portfolio during 2013 with the customer base doubling to nearly 80,000 customers in the period. By year end, natural gas customers constituted 12.8% of our total customer base, from 6.8% at the beginning of the year. The growth in customers was primarily driven by entry into several new states (District of Columbia, Maryland, Virginia) and the introduction of fixed price natural gas products in our Network Marketing channel and expansion of our sales efforts in the Strategic Marketing Partnership channel with Frontier Communications and Cincinnati Bell.

In 2013, the Company sold 4,658,400 MMBtus of natural gas in seven states and the District of Columbia. At year end, Crius Energy had 78,944 natural gas customers, a net increase of 42,440 customers or 116% from the beginning of the year. Natural gas revenue was \$26.6 million, accounting for 5.2% of total revenue. Gross margin for natural gas was \$4.8 million or 18.2% of revenue. Full year gross margins as a percentage of revenue, were below our target range as management used competitive pricing in the off peak low usage season to aggressively grow the portfolio, which was offset by higher margins of 28.9% achieved in the fourth quarter as the Company entered the winter peak season.

Solar

In September 2013, the Company successfully launched sales of solar energy services with limited capital investment. The services were initially launched through our Network Marketing brand given the clear alignment with our sales force and brand positioning. The sales success earned Crius recognition as SolarCity's fastest partner to date to ever reach 1,000 KW of sales, which was achieved in less than one month.

The solar business generated \$1.0 million of revenue in 2013, or about 0.2% of revenue from the sale of solar systems with 2,200 KW of generation capacity.

Customer Aggregation

The following table summarizes the Company's growth in customers during 2013 on a quarterly basis.

Customer Aggregation (in customers)⁽¹⁾

	Opening Customer Count	Customer Adds ⁽²⁾	Customer Drops ⁽²⁾	Net Change	Closing Customer Count
Electricity	498,060	92,063	(56,883)	35,180	533,240
Natural Gas	36,504	16,065	(2,677)	13,388	49,892
Quarter ending March 31, 2013	534,564	108,128	(59,560)	48,568	583,132
<i>Net Change % of Opening Customer Count</i>				9.1%	
Electricity	533,240	77,252	(76,236)	1,016	534,256
Natural Gas	49,892	13,698	(1,947)	11,751	61,643
Quarter ending June 30, 2013	583,132	90,950	(78,183)	12,767	595,899
<i>Net Change % of Opening Customer Count</i>				2.2%	
Electricity	534,256	63,467	(58,923)	4,544	538,800
Natural Gas Electricity	61,643	14,265	(4,249)	10,016	71,659
Quarter ending September 30, 2013	595,899	77,732	(63,172)	14,560	610,459
<i>Net Change % of Opening Customer Count</i>				2.4%	
Electricity	538,800	66,621	(68,992)	(2,371)	536,429
Natural Gas	71,659	19,117	(11,832)	7,285	78,944
Quarter ending December 31, 2013	610,459	85,738	(80,824)	4,914	615,373
<i>Net Change % of Opening Customer Count</i>				0.8%	

Notes:

- (1) References to customers in this table and throughout this MD&A refer to estimates of the residential customer equivalents, or RCEs, based on customer accounts and information available regarding their historical usage.
- (2) Customer adds and customer drops are based on a customer's utility acceptance date, which lag the customer's enrolment and termination request dates.

Sources of Revenue

The Company earns its revenue primarily from electricity and natural gas sales and recognizes its revenue based on customer consumption. Both electricity and natural gas are subject to seasonal variations in customer usage and the Company's revenues may fluctuate accordingly; however, the impact of seasonality on customer usage is one of the many factors impacting revenues, which are also affected by retail rates charged to customers, customer growth and customer attrition. Electricity consumption is typically highest during the summer months (July and August) due to cooling demand and, to a lesser extent, during the winter months (January and February) due to heating demand. Natural gas consumption is typically highest during the months of November through March due to heating demand.

The Company also receives revenue from the marketing of solar products as well as from fees paid by independent contractors in the network marketing channel. Independent contractors pay sign-up fees and other fees to the Company to participate in the network marketing program. Sign-up fees are deferred and recognized on a straight line basis over the twelve-month term of the independent contractor agreement and other monthly fees are recognized on a monthly basis.

Energy Procurement

The Company procures its energy and hedging requirements in various wholesale energy markets, including both physical and financial markets and through short-term and long-term contracts. For both electricity and natural gas, the Company procures its wholesale energy requirements at various utility load zones for electricity and various city gates for natural gas, based on energy usage by our customers and the geographic location of our customers. The Company manages its exposure to short term and long-term movements in wholesale energy prices, by hedging using derivative instruments. These derivative instruments are principally physical forward contracts and financial fixed-for-floating swaps whereby the Company agrees with a counterparty, currently Macquarie Energy, to take physical delivery or cash settle the difference between the floating price and the fixed price on a notional quantity of electricity or natural gas for a specified timeframe at a specified location. The Company remains subject to commodity risk for any volumetric differences between the actual quantities used by customers and the forecasted quantities upon which such hedging is based. See "Financial Instruments and Risk Management" in this Management's Discussion and Analysis for details of the risk management processes adopted by the Company to minimize commodity market risk.

The Company's hedging strategy is based on, among other variables, the forecasted customer energy usage, which can vary substantially as a result of weather patterns deviating from historical norms within a given period. This variability is exaggerated as a result of our concentration in the residential customer segment, in which energy usage is highly sensitive to weather conditions, which impact heating and cooling demand. Degree days are a representation of outside air-temperature data and Cooling Degree Days ("CDD"), in the summer months, and Heating Degree Days ("HDD"), in the winter months, are widely used in the energy industry for measuring the impact of weather patterns on energy usage. CDD represents the number of degrees that a day's average temperature is above 65 degrees Fahrenheit and people start to use air conditioning. HDD represents the number of degrees that a day's average temperature is below 65 degrees Fahrenheit and people start to use heating. Deviations in forecasted to actual customer usage impacts the Company by reducing or increasing revenues and gross margins from expected results. Similarly, deviations may also impact the Company's hedging program by the amount of the under or over hedge (volumetric risk).

The Company's gross margin is derived from the difference between the price charged to its customers and that paid to its supplier, Macquarie Energy, and other non-energy wholesale energy suppliers. The Company also incurs selling expenses to compensate independent contractors and exclusive marketing partners for customer acquisition activities through a mixture of upfront payments and residual-based payments proportionate to customer usage and generally payable upon receipt of customer payment. All such costs are recognized as expenses in the period incurred pursuant to the contractual arrangements in place. In addition, the Company incurs general, administrative and financing and other expenses to operate its business.

Selected Consolidated Financial and Operational Data

The following selected historical financial information has been derived from the audited consolidated financial statements of the Trust for the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2013 as well as the unaudited interim consolidated financial statements of the Trust for the quarter ended December 31, 2013. The operating data has been prepared by Management based on the Company's records.

Statement of Comprehensive Income Highlights (in millions)

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012 ⁽¹⁾
Revenue	\$128.6	\$507.1	\$56.3
Cost of sales	103.7	403.7	44.4
Gross margin	24.9	103.4	11.9
Expenses			
Selling expenses.....	5.2	28.0	3.4
General and administrative	13.7	43.2	5.0
Unit-based compensation	0.1	0.3	—
Depreciation and amortization	9.5	38.4	5.2
Operating Loss	(3.6)	(6.5)	(1.7)
Other (expenses) income			
Finance costs.....	(1.5)	(6.0)	(0.7)
Goodwill impairment	(60.5)	(60.5)	—
Distributions to non-controlling interest	(6.7)	(31.2)	0.0
Change in fair value of derivative instruments.....	24.1	22.1	(2.4)
Change in fair value of non-controlling interest.....	43.5	120.4	4.5
Income (loss) before income taxes.....	(4.7)	38.3	(0.3)
(Expense) benefit from income taxes	(1.9)	10.4	3.1
Net income and comprehensive income	(6.6)	48.7	2.8
EBITDA ⁽²⁾	6.3	82.7	5.6
Adjusted EBITDA ⁽²⁾	\$6.1	\$32.2	\$3.5

Notes:

- (1) Reflects operations of the Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012, as there was no activity in the Company prior to the Acquisition of the Company Interest.
- (2) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. See "Non-IFRS Financial Measures". The following table is a reconciliation of net income to EBITDA and Adjusted EBITDA for the period indicated.

Reconciliation of Net Income and Comprehensive Income to EBITDA and Adjusted EBITDA
(in millions)

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012 ⁽¹⁾
Net income and comprehensive income	\$(6.6)	\$48.7	\$2.8
Excluding the impacts of:			
Expense (benefit) from income taxes	1.9	(10.4)	(3.1)
Finance costs	1.5	6.0	0.7
Depreciation and amortization	9.5	38.4	5.2
EBITDA	6.3	82.7	5.6
Excluding the impact of:			
Goodwill impairment	60.5	60.5	—
Change in fair value of derivative instruments	(24.1)	(22.1)	2.4
Distributions to non-controlling interest	6.7	31.2	0.0
Unit-based compensation	0.1	0.3	0.0
Change in fair value of non-controlling interest	(43.5)	(120.4)	(4.5)
Adjusted EBITDA	\$6.1	\$32.2	\$3.5

Notes:

- (1) Reflects the results of the operations of Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012 as there was no activity in the Company prior to the Acquisition of the Company Interest.

Statement of Financial Position Highlights
(in millions)

	As at December 31, 2013	As at December 31, 2012
Current assets	\$116.8	\$93.8
Total assets	381.6	447.0
Current liabilities	82.7	53.7
Long-term liabilities	168.0	301.6
Unitholders' equity	130.9	91.7

Operational Highlights

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012 ⁽¹⁾
<i>Electricity</i>			
Volumes (MWh)	1,215,458	5,112,737	676,480
Revenue (\$ million)	115.3	475.4	53.0
Gross margin (\$ million)	19.7	93.4	11.5
Gross margin (\$/MWh)	16.19	18.27	16.99
Gross margin as a % of revenue	17.1%	19.7%	21.7%
<i>Natural gas</i>			
Volumes (MMBtu)	1,857,517	4,658,400	665,057
Revenue (\$ million)	11.4	26.6	2.8
Gross margin (\$ million)	3.3	4.8	(0.1)
Gross margin (\$/MMBtu)	1.77	1.04	(0.2)
Gross margin as a % of revenue	28.9%	18.2%	(4.8%)

Notes:

- (1) Reflects operations of the Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012.

Statement of Cash Flows Highlights
(in millions)

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012 ⁽¹⁾
Cash flows from (used in) operating activities	\$11.4	\$26.3	\$(9.1)
Cash flows used in investing activities	(1.5)	(3.0)	(48.0)
Cash flows (used in) from financing activities	(11.4)	(38.3)	87.4
Cash and cash equivalents at beginning of period	16.8	30.3	—
Cash and cash equivalents at end of period	15.3	15.3	\$30.3

Notes:

(1) Reflects operations of the Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012.

Quarterly Results (unaudited)
(in millions)

	Quarter ended December 31, 2013	Quarter ended September 31, 2013	Quarter ended June 30, 2013	Quarter ended March 31, 2013	Quarter ended December 31, 2012 ⁽¹⁾
Revenue	\$128.6	\$145.6	\$113.9	\$119.0	\$56.3
Cost of sales	103.7	115.6	86.3	98.1	44.4
Gross margin	24.9	30.0	27.6	20.9	11.9
Expenses					
Selling expenses	5.2	8.7	7.1	7.0	3.4
General and administrative	13.7	10.8	10.4	8.3	5.0
Unit-based compensation	0.1	0.1	—	0.1	0.0
Depreciation and amortization	9.5	9.5	9.7	9.7	5.2
Operating loss (income)	(3.6)	0.9	0.4	(4.2)	(1.7)
Other (expenses) income					
Finance costs	(1.5)	(1.6)	(1.4)	(1.5)	(0.7)
Goodwill impairment	(60.5)	—	—	—	—
Distributions to non-controlling interest	(6.7)	(6.7)	(7.0)	(10.8)	0.0
Change in fair value of derivative instruments	24.1	3.8	(7.0)	1.2	2.4
Change in fair value of non-controlling interest	43.5	(19.9)	54.9	41.9	(4.5)
Income (loss) before income taxes	(4.7)	(23.5)	39.9	26.6	(0.3)
(Expense) benefit from income taxes	(1.9)	(4.4)	4.8	3.1	3.1
Net (loss) income and comprehensive (loss) income	(6.6)	(19.0)	44.7	29.6	2.8
EBITDA⁽²⁾	6.3	(12.3)	51.0	37.7	5.6
Adjusted EBITDA⁽²⁾	\$6.1	\$10.5	\$10.1	\$5.5	\$3.5

Notes:

(1) The Trust became a reporting issuer on November 13, 2012, during the quarter ended December 31, 2012.

(2) EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or other data prepared in accordance with IFRS. See "Non-IFRS Financial Measures".

Results of Operations
For the year ended December 31, 2013

Revenue

For the year ended December 31, 2013 revenue was \$507.1 million, which includes the results from the 15.1% increase in the customer base over the year ended December 31, 2012. Revenues included:

- Electricity revenue of \$475.4 million, accounting for 93.8% of total revenue. Electricity volumes for the year ended December 31, 2013 were 5,112,737 MWh.

- Natural gas revenue of \$26.6 million accounting for 5.2% of total revenue. Natural gas volumes for the year ended December 31, 2013 were 4,658,400 MMBtu.
- Fee revenue consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel of \$4.1 million, accounting for 0.8% of total revenue.
- Solar revenue of \$1.0 million, accounting for 0.2% of total revenue. The Company started marketing residential solar energy products in September 2013.

Gross Margin

For the year ended December 31, 2013 gross margin was \$103.4 million representing 20.4% of total revenues.

Electricity gross margin for the year ended December 31, 2013 was \$93.4 million, representing 19.7% of electricity revenues and electricity gross margin per unit was \$18.27/MWh. Electricity gross margins were impacted by weather variations from historical norms both in the first and third quarters and the corresponding hedge and spot price impacts.

Natural gas gross margin for the year ended December 31, 2013 was \$4.8 million, representing 18.2% of natural gas revenues and natural gas gross margin per unit was \$1.04/MMBtu.

Selling Expenses

Selling expenses consist of commissions due to independent contractors in the network marketing channel, telemarketing and door-to-door channel and to partners in our exclusive marketing partnerships for enrolling new customers and for customer consumption. Selling expenses are expensed in the period that the commissions are earned by the independent contractors or exclusive marketing partnerships.

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrolment of the customer, and residual commissions, which are primarily based on customer consumption and receipt of customer payment. The commission structures by sales channel are summarized below:

- Commissions due to independent contractors for customers acquired through network marketing are calculated pursuant to a multi-level compensation plan designed to reward independent contractors for building successful marketing networks. Under the compensation plan, independent contractors are eligible to earn upfront and residual commissions, cash bonuses and promotional pay based on a number of factors, including, but not limited to, customer enrolment and energy usage. Residual commissions are primarily earned and payable after receipt of payment from the customer. In addition some commissions are paid to employees in an in-house sales team focusing on solar sales.
- Commissions due for customers acquired through our exclusive marketing partnerships are calculated based on a fixed, upfront commission per customer enrolled, subject to a partial or full repayment of commission for customers who terminate their service within the first three months, and a residual-based commission based on a percentage of revenue share over a customer's term of enrolment, earned and payable after receipt of the payment from the customer.
- Commissions due to independent contractors in our telemarketing and door-to-door channel are primarily comprised of upfront commission based on the successful qualification of the customer with the utility or paid under hourly contracts, subject to a partial or full repayment of commissions for customers who terminate their service within the first three months.

For the year ended December 31, 2013, selling expenses were approximately \$28.0 million representing 5.5% of revenue. These costs consist of (a) upfront customer acquisition commissions of \$13.3 million (representing \$36.57 per customer acquired), (b) residual based commissions of \$14.1 million (representing 2.8% of revenues) and (c) solar commissions of \$0.6 million (representing 57.7% of solar revenues).

General and Administrative Expenses

General and administrative expenses for the year ended December 31, 2013 was \$43.2 million, as set out in the table below.

	Year ended December 31, 2013	
	\$	%
General and Administrative Expenses (in \$ millions and % of revenue)		
POR fees / bad debt	\$8.2	1.6%
Processing costs	6.0	1.1%
Human resources	14.1	2.8%
Gross receipts taxes and other taxes/levies	2.9	0.6%
Legal and regulatory	1.4	0.3%
Other	10.6	2.1%
Total	\$43.2	8.5%

General and administrative expenses incurred during the year were impacted by higher Processing costs, which included IT costs of approximately \$3.0 million related to IT systems integration costs as well as the strategic initiative to establish an integrated IT platform that will generate cost savings through improved sales and billing processes and promote long-term organic growth across all brands.

Unit-Based Compensation

The unit-based compensation charge relates to the issuance of 14,924 Restricted Trust Units ("RTUs") to the directors of the Administrators of the Trust as well as 154,601 issued to senior executive management of Crius Energy in 2013. For the year ended December 31, 2013, unit-based compensation expense amounted to \$0.3 million and reflected the fair value of these RTUs based on the market price of the Trust units at the end of the period and the applicable vesting period.

Depreciation and Amortization

Depreciation and amortization relate to the property and equipment and intangibles used in the Company's operations. Depreciation and amortization for the year ended December 31, 2013 was \$38.4 million.

Finance Costs

Finance costs for the year ended December 31, 2013 were \$6.0 million. Finance costs are primarily incurred pursuant to the Company's credit facility with Macquarie Energy. Refer to the discussion under "**Liquidity and Capital Resources**" in this MD&A, for a detailed description of this facility.

Goodwill impairment

The Company recorded a goodwill impairment charge of \$60.5 million for the year ended December 31, 2013. The impairment was primarily due to the carrying value of equity being in excess of the market capitalization of the Trust at year end. The impairment charge is non-cash and will not impact our normal business operations nor will it affect liquidity, cash flow from operations or financial covenants under our credit facility.

Distributions to Non-controlling Interest

Distributions to non-controlling interest for the year ended December 31, 2013 were \$31.2 million.

Due to certain provisions in the governance documents which, in very limited change of control circumstances, provide the non-controlling interest a redemption right, the non-controlling interest is classified as a long-term liability on the consolidated statement of financial position. Accordingly, monthly distributions paid by Crius Energy to the non-controlling interest based on their approximate 73.2% interest in Crius Energy are included in the profit and loss.

Change in Fair Value of Derivative Instruments

The change in fair value of derivative instruments consists of changes in unrealized gains or losses on derivatives, which represent the estimated amount that the Trust would need to pay or receive to dispose of the remaining notional commodity or currency positions in the market if the derivative contracts were to be terminated at the respective period end (see "Financial Instruments and Risk Management" in this MD&A).

For the year ended December 31, 2013, the unrealized gains and losses associated with derivative contracts were a net gain of \$22.1 million; made up of (a) unrealized gains of \$20.8 million on forward electricity positions, (b) unrealized gains of \$2.0 million on forward natural gas positions and (c) unrealized losses of \$0.7 million on forward currency positions.

These gains and losses represent non-cash gains and losses associated with mark-to-market movements on forward hedge positions that are outstanding at period end. These hedges are put in place to either hedge the fixed price exposure of customers on fixed price contracts or to hedge the expected short-term exposure of variable priced customers. On average, wholesale electricity and natural gas prices for all forward positions outstanding as at December 31, 2013 have increased by a weighted average of \$13.18/MWh and \$0.44/MMBtu, respectively from the time the forward positions were entered into.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the year ended December 31, 2013 was a gain of \$120.4 million, representing the mark-to-market valuation of the non-controlling interest liability included on the consolidated statement of financial position. This non-cash gain is primarily the result of the decrease in the Trust's publicly traded Unit price from the beginning to the end of the year.

Due to the redeemable nature of the non-controlling interest in Crius Energy arising from certain provisions in the governance documents, the non-controlling interest is classified as a long-term liability on the consolidated statement of financial position. This non-controlling interest is measured at fair value at the end of each period with the gain or loss being charged to profit or loss in the consolidated statement of comprehensive income. The fair value of the non-controlling interest is measured principally based on the publicly traded unit price of the Trust, with an adjustment for profit interest units of Crius Energy, LLC that is calculated using an option pricing model.

Income Taxes

For the year ended December 31, 2013, the benefit for income taxes was \$10.4 million. The Trust was in a pre-tax income position for the year-ending December 31, 2013, but was in a net taxable loss position for the same period after adjusting for permanent differences, including goodwill impairment, the change in fair value of non-controlling interest, distributions to non-controlling interests and removing the activity of Crius Energy, LLC that is attributed directly to the non-controlling partners of Crius Energy, LLC. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity. Therefore, its taxable income/(loss) flows directly to its partners who are then taxed on their allocable share of the partnership income tax/(benefit).

Net Income and Comprehensive Income

For the year ended December 31, 2013, net income and comprehensive income was \$48.7 million. Net income was impacted by various non-cash items including a goodwill impairment charge of \$60.5 million and the change in fair value of non-controlling interest liability which resulted in a gain of \$120.4 million.

For the quarter ended December 31, 2013

Revenue

For the quarter ended December 31, 2013 revenue was \$128.6 million. Revenues included:

- Electricity revenue of \$115.3 million, accounting for 89.7% of total revenue. Electricity volumes for the quarter ended December 31, 2013 were 1,215,458 MWh.
- Natural gas revenue of \$11.4 million accounting for 8.8% of total revenue. Natural gas volumes for the quarter ended December 31, 2013 were 1,857,517 MMBtu as the Company entered the peak natural gas usage season.

- Fee revenue consisting of sign-up fees and other monthly fees received from independent contractors in the network marketing channel of \$1.0 million, representing 0.8% of total revenue.
- Solar revenue of \$0.9 million, representing 0.7% of total revenue. The Company started marketing residential solar energy products in September 2013.

Gross Margin

For the quarter ended December 31, 2013 gross margin was \$24.9 million, representing 19.4% of total revenues.

Electricity gross margin for the quarter ended December 31, 2013 was \$19.7 million, representing 17.1% of electricity revenues, and electricity gross margin per unit was \$16.19/MWh.

Natural gas gross margin for the quarter ended December 31, 2013 was \$3.3 million representing 28.9% of natural gas revenues and natural gas gross margin per unit was \$1.77/MMBtu.

Selling Expenses

Selling expenses consist of commissions due to independent contractors in the network marketing channel, telemarketing and door-to-door channel and to partners in our exclusive marketing partnerships for enrolling new customers and for customer consumption. Selling expenses are expensed in the period that the commissions are earned by the independent contractors or exclusive marketing partnerships.

Commissions earned are comprised of upfront commissions, which are primarily based on the successful enrolment of the customer, and residual commissions, which are primarily based on customer consumption and receipt of customer payment. The commission structures by sales channel are summarized below:

- Commissions due to independent contractors for customers acquired through network marketing are calculated pursuant to a multi-level compensation plan designed to reward independent contractors for building successful marketing networks. Under the compensation plan, independent contractors are eligible to earn upfront and residual commissions, cash bonuses and promotional pay based on a number of factors, including, but not limited to, customer enrolment and energy usage. Residual commissions are primarily earned and payable after receipt of payment from the customer.
- Commissions due for customers acquired through our exclusive marketing partnerships are calculated based on a fixed, upfront commission per customer enrolled, subject to a partial or full repayment of commission for customers who terminate their service within the first three months, and a residual-based commission based on a percentage of revenue share over a customer's term of enrolment, earned and payable after receipt of the payment from the customer.
- Commissions due to independent contractors in our telemarketing and door-to-door channel are primarily comprised of upfront commission based on the successful qualification of the customer with the utility or paid under hourly contracts, subject to a partial or full repayment of commissions for customers who terminate their service within the first three months.

For the quarter ended December 31, 2013, selling expenses were approximately \$5.2 million representing 3.9% of revenue. These costs consist of (a) upfront customer acquisition commissions of \$2.1 million (representing \$23.98 per customer acquired), (b) residual based commissions of \$2.5 million (representing 2.2% of revenues) and (c) solar commissions of \$0.6 million (representing 61.4% of solar revenues).

General and Administrative Expenses

General and administrative expenses for the quarter ended December 31, 2013 was \$13.7 million, as set out in the table below.

	Quarter ended December 31, 2013	
	\$	%
General and Administrative Expenses (in \$ millions and % of revenue)		
POR fees / bad debt	\$3.8	3.0%
Processing costs	1.6	1.2%
Human resources	3.9	3.1%
Gross receipts taxes and other taxes/levies	1.1	0.8%
Legal and regulatory	0.5	0.4%
Other	2.8	2.2%
Total	\$13.7	10.7%

General and administrative expenses in the fourth quarter increased to \$13.7 million, up from \$10.8 million in the third quarter. The increase in General and administrative expenses was primarily driven by higher POR / bad debt costs, which was impacted by a year-end increase in the allowance for doubtful accounts of \$2.6 million. The increase was not attributable to an increase in the accounts receivable subject to credit risk, which increased from \$8.5 million at the beginning of the quarter to \$8.7 million at the end of the quarter, but rather was the result of a change in estimate of the collectability of receivables subject to credit risk taking into account a full year of historical data on collections performance in markets subject to credit risk. Gross receipts taxes were impacted by a true-up relating to prior quarters of \$0.4 million.

Unit-Based Compensation

The unit-based compensation charge relates to the issuance of 154,601 Restricted Trust Units ("RTUs") to senior executive management of Crius Energy in 2013. For the quarter ended December 31, 2013, unit-based compensation expense amounted to \$0.1 million and reflected the fair value of these RTUs based on the market price of the Trust units at the end of the period and the applicable vesting period.

Depreciation and Amortization

Depreciation and amortization relate to the property, equipment and intangibles used in the Company's operations. Depreciation and amortization for the quarter ended December 31, 2013 was \$9.5 million.

Finance Costs

Finance costs for the quarter ended December 31, 2013 were \$1.5 million. Finance costs are primarily incurred pursuant to the Company's credit facility with Macquarie Energy. Refer to the discussion under "Liquidity and Capital Resources" in this MD&A, for a detailed description of this facility.

Goodwill impairment

The Company recorded a goodwill impairment charge of \$60.5 million for the quarter ended December 31, 2013. The impairment was primarily due to the carrying value of equity being in excess of the market capitalization of the Trust at year end. The impairment charge is non-cash and will not impact our normal business operations nor will it affect liquidity, cash flow from operations or financial covenants under our credit facility.

Distributions to Non-controlling Interest

Distributions to non-controlling interest for the quarter ended December 31, 2013 were \$ 6.7 million.

Due to certain provisions in the governance documents which, in very limited change of control circumstances, provide the non-controlling interest a redemption right, the non-controlling interest is classified as a long-term liability on the consolidated statement of financial position. Accordingly, monthly distributions paid by Crius Energy to the non-controlling interest based on their approximate 73.2% interest in Crius Energy are included in the profit and loss.

Change in Fair Value of Derivative Instruments

The change in fair value of derivative instruments consists of changes in unrealized gains or losses on derivatives, which represent the estimated amount that the Trust would need to pay or receive to dispose of the remaining notional commodity or currency positions in the market if the derivative contracts were to be terminated at the respective period end (see "Financial Instruments and Risk Management" in this MD&A).

For the quarter ended December 31, 2013, the unrealized gains and losses associated with derivative contracts were a net gain of \$24.1 million; made up of (a) unrealized gains of \$22.5 million on forward electricity positions (b) unrealized gains of \$1.7 million on forward natural gas positions and (b) unrealized losses of \$0.1 million on forward currency positions.

These gains and losses represent non-cash gains and losses associated with mark-to-market movements on forward hedge positions that are outstanding at period end. These hedges are put in place to either hedge the fixed price exposure of customers on fixed price contracts or to hedge the expected short-term exposure of variable priced customers. On average, wholesale electricity and natural gas prices for all forward positions outstanding as at December 31, 2013 have increased by a weighted average of \$13.18/MWh and \$0.44/MMBtu, respectively from the time they were entered into.

Change in Fair Value of Non-controlling Interest

The change in fair value of non-controlling interest for the quarter ended December 31, 2013 was a gain of \$43.5 million, representing the mark-to-market valuation of the non-controlling interest liability included on the consolidated statement of financial position. These non-cash gains are primarily the result of the decrease in the Trust's publicly traded Unit price from the beginning to the end of the quarter ended December 31, 2013.

Due to the redeemable nature of the non-controlling interest in Crius Energy arising from certain provisions in the governance documents, the non-controlling interest is classified as a long-term liability on the consolidated statement of financial position. This non-controlling interest is measured at fair value at the end of each period with the gain or loss being charged to profit or loss in the consolidated statement of comprehensive income. The fair value of the non-controlling interest is measured principally based on the publicly traded unit price of the Trust, with an adjustment for profit interest units of Crius Energy, LLC that is calculated using an option pricing model.

Income Taxes

For the quarter ended December 31, 2013, the provision for income taxes was \$1.9 million. For this period, the Trust reported pre-tax book loss and was in a net income-tax position after adjustments for permanent differences, including goodwill impairment, the change in fair value of non-controlling interest, distributions to non-controlling interests and removing the activity of Crius Energy, LLC that is attributed directly to the non-controlling partners of Crius Energy, LLC. Under United States partnership taxation rules, Crius Energy, LLC is not a taxable entity. Therefore, its taxable income/(loss) flows directly to its partners who are then taxed on their allocable share of the partnership income tax/(benefit).

Net Loss and Comprehensive Loss

For the quarter ended December 31, 2013, net loss and comprehensive loss was \$6.6 million. Net loss was impacted by various non-cash items including a goodwill impairment charge of \$60.5 million and change in fair value of non-controlling interest liability which resulted in a gain of \$43.5 million.

Liquidity and Capital Resources

The Trust expects to have sufficient liquidity to fund its planned operations for the foreseeable future. The following are the primary sources of funding for future expenditures that are expected by Management to be available: (i) internally generated cash flow from operations; (ii) existing cash and working capital; and (iii) borrowing capacity under our supplier agreement ("the **Supplier Agreement**") with Macquarie Energy, LLC ("**Macquarie Energy**"). Additionally, Management may seek to raise capital via the following means: (iv) external debt financing and (v) new capital through the issuance of additional Units.

The Supplier Agreement provides for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in October 2017 (the "**Supplier Agreement**"). Under the Supplier Agreement, Macquarie Energy assumes the responsibility for meeting all the credit and collateral requirements with each Independent System

Operator, or ISO. Under the Supplier Agreement, the utilities serving the Company's customers are directed to remit all customer payments into a designated restricted bank account (the "Lockbox"), and the funds in that account are used to pay Macquarie Energy for the energy supplied and other fees and interest due under the Supplier Agreement. The trade payables are secured by funds pledged in the Lockbox, accounts receivable and all other assets of the Company.

Macquarie Energy extends trade credit to buy wholesale energy supply, with all amounts due being payable in the month following delivery of the energy. The credit extended under the Supplier Agreement is limited to an overall exposure limit of \$200.0 million subject to certain customary financial covenants and limited to a calculated credit base based on restricted cash in the Lockbox, billed and unbilled receivables. The Company incurs a volumetric fee based on the wholesale energy delivered, which is included in finance costs in the statement of comprehensive income.

The Supplier Agreement includes a working capital facility with a sub-limit of \$25.0 million under which letters of credit and cash advances can be made based on the calculated credit base. Such letters of credit and cash advances under this line are subject to an annual interest rate of 5.5% plus LIBOR.

Subsequent to year end, and effective on February 7, 2014, the Company executed an amendment to the Supplier Agreement, which expanded the working capital facility sub-limit from \$25.0 million to \$60.0 million with the base interest rate remaining unchanged at 5.5% plus LIBOR. Other material changes to the credit facility include a decrease in the overall exposure limit of \$200.0 million to \$150.0 million, the extension of the term of the agreement to December 2019, and an incremental interest rate of 1.25% applied to borrowings above a certain threshold. Additionally, the Company made a one-time payment in the amount of \$1.3 million, which will be amortized over the remaining term of the facility and Macquarie Energy were issued 750,000 warrants to purchase Trust units with a strike price of C\$6.23 per Unit and a term of five years, with the warrants being exercisable over a four-year schedule.

Under the Supplier Agreement, the Company and its operating subsidiaries are permitted to make monthly distributions provided that (i) no event of default, termination event or potential event of default under the Supplier Agreement has occurred, (ii) Macquarie Energy has been paid in full for all amounts owing under all then outstanding monthly invoices, (iii) Macquarie Energy has not received notice that any amount owed to any party is then currently past due, and (iv) the requested distribution would not result in a breach of any covenant under the Supplier Agreement. Refer to the discussion under "Principal Agreement with Macquarie Energy" in the Trust's Annual Information Form, available on www.sedar.com and on the Trust's website at www.criuseenergytrust.ca, for a detailed description of the Supplier Agreement.

Cash and Working Capital Position, Cash Flow from Operations

As of December 31, 2013, the Trust had no long-term debt, a cash balance of \$15.3 million and a working capital balance, defined as current assets less current liabilities, of \$34.1 million. Working capital was impacted by non-cash, unrealized net gains of \$20.3 million on derivatives outstanding at year end. Working capital excluding these net unrealized gains was \$13.8 million. At year-end, the Company has a balance outstanding of \$6.5 million under its credit facility and has availability under the credit facility of \$12.2 million, resulting in aggregate cash and availability under our credit facility of \$27.5 million, which decreased from \$43.0 million as at December 31, 2012.

Cash flow from operations for the year ended December 31, 2013 amounted to \$26.3 million and included net outflows of \$8.9 million for changes in operating assets and liabilities, which primarily resulted from the growth in customer accounts receivable due to our increased customer base as well as higher retail rates. Excluding these changes in operating assets and liabilities, cash flow from operations was \$35.2 million for the year. Changes in operating assets and liabilities primarily arise due to the time lag associated with the cash conversion cycle, or the time between the time we pay for wholesale energy and the time we receive payments from our customers for the energy sold, which is also impacted by growth and seasonality in the business. The credit facility in place with Macquarie Energy is a borrowing base facility and, as such, provides access to cash that is needed to fund changes in operating assets and liabilities associated with the build-up of customer accounts receivables and trade payables. The changes in operating assets and liabilities in the year of \$8.9 million were principally funded by draws under the facility of \$6.5 million made in the year.

Cash flow from operations for the quarter ended December 31, 2013 amounted to \$11.4 million and included net inflows of \$4.1 million of net change in operating assets and liabilities, which primarily resulted from seasonality in the business. Excluding these changes in operating assets and liabilities, cash flow from operations was \$7.3 million for the quarter.

Contractual Obligations

In the normal course of business, the Company is obligated to make future payments under various non-cancellable contracts and other commitments. As at December 31, 2013, the payments due by period are set out in the following table:

Contractual Obligations (in \$ millions)

	Carrying amount	Contractual cash flow	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables.....	\$75.1	\$75.1	\$75.1	—	—
Operating leases.....	—	1.5	0.6	0.9	—
Financing leases.....	1.3	1.3	0.3	1.0	—
Credit facility.....	6.5	6.5	6.5	—	—
Distribution payable	0.8	0.8	0.8	—	—
Other long-term liabilities.....	0.8	0.5	—	0.5	—
	84.5	85.7	83.3	2.4	—

Distributions

As required by National Policy 41-201 – *Income Trusts and Other Indirect Offerings*, the following table outlines the differences between net cash provided by (used in) operating activities and cash distributions as well as the differences between net income and cash distributions.

(in \$ millions)

	Quarter ended December 31, 2013 (unaudited)	Year ended December 31, 2013	Period from inception on September 7, 2012 to December 31, 2012 ⁽¹⁾
Cash flows provided by (used in) operating activities.....	11.4	26.3	(9.1)
Finance costs included within financing activities.....	(1.2)	(5.5)	(0.9)
Cash flows provided by (used in) operating activities adjusted for finance costs.....	10.2	20.8	(10.0)
Net income	(6.6)	48.7	2.8
Distributions to unitholders	2.4	10.2	—
Distributions to non-controlling interest	6.8	29.0	—
Total distributions	9.2	39.2	—
Excess (shortfall) of cash flows provided by operating activities including interest over cash distributions paid.....	1.0	(18.4)	(10.0)
Excess (shortfall) of net income over cash distributions paid.....	(15.8)	9.5	2.8

Notes:

(1) Reflects operations of the Company from the close of the Acquisition of the Company Interest on November 13, 2012 through December 31, 2012.

For the year ended December 31, 2013 distributions exceeded cash flows provided by operating activities (adjusted to include interest) for the year by \$18.4 million. This shortfall was impacted by (a) the net change in operating assets and liabilities included within cash flows from operating activities of negative \$8.9 million as well as (b) cash distributions paid during 2013 of \$1.9 million that related to the 2012 stub period. After adjusting for these two items, cash distributions exceeded cash flows from operations less financing costs by \$7.6 million for the year. This shortfall was attributable to our Adjusted EBITDA performance primarily due to the impacts of lower-than-normal gross margins in the first and third quarters due to challenging market conditions and differences between forecasted and actual electricity volumes in key markets. This was funded by existing cash as well as by cash advances under the credit facility.

For the year ended December 31, 2013, net income exceeded distributions for the year primarily due to the impact of various non-cash items including a gain of \$120.4 million from changes in fair value of non-controlling interest and a gain of \$22.1 million from changes in fair value of derivative instruments.

For the quarter ended December 31, 2013 cash flows provided by operating activities (adjusted to include interest) exceeded distributions for the quarter by \$1.0 million. This excess was impacted by the net change in operating assets and liabilities included within cash flows from operating activities of \$4.1 million.

For the quarter ended December 31, 2013 distributions exceeded net income by \$15.8 million primarily due to non-cash charges including depreciation and amortization and goodwill impairment.

Outstanding Unit Data

At the date of this MD&A, March 25, 2014, the Trust had 10,014,924 Units outstanding including 14,924 Units issued pursuant to RTUs issued to directors of the Administrator on March 25, 2013.

Outlook

At the beginning of 2014, we experienced several challenges which had a material effect on our business. We are actively addressing these issues while remaining focused on executing on our strategy. We will continue to strengthen our distribution channels, increase our product diversity, and expand into more states and utilities in order to grow and diversify our customer base. Our goal remains to grow and diversify our cash flows to support long-term distributions for our unitholders.

To provide some background, our core markets in the Northeast, New York and Mid-Atlantic states experienced record-breaking wholesale energy prices and volatility in the first quarter of 2014, driven by historic cold temperatures and supply constraints, including natural gas shortages and unexpected generation outages. Given the magnitude of these impacts, management felt it was prudent to reduce its distributions by 30% starting in February 2014, which we expect to maintain for the remainder of the year, after which time it will be re-evaluated by the Board. This will enable us to rebuild the capital required for the Trust's long-term success and manage through the temporary slowdown in net customer growth, driven primarily by elevated customer attrition, as the Company passes through higher variable rates to customers over the coming months. To mitigate attrition, management has implemented customer retention strategies, including offering promotional products at reduced margins, which will negatively impact 2014 gross margins but provide long-term value through a continued customer relationship.

Despite these short-term challenges faced, management is optimistic about the long-term prospects of Crius Energy. In highly competitive markets with many energy service offerings available to consumers, we feel it is our unique family-of-brands strategy and diversified distribution channels that enable us to not only face the challenges in our markets but also to capitalize on the growth opportunities.

In the short- to medium-term, we believe that the extreme market volatility and wholesale price spikes create significant growth opportunities for the Company. First, we believe higher utility rates, which can lag wholesale markets by up to a number of years, will create increased sales opportunities and make our products more competitive, as utilities pass through the higher wholesale energy costs to their customers. Second, we anticipate this higher price environment will create more customer awareness and shopping for alternative solutions. Our multiple touch points in the market through our family-of-brands and distribution channels increases our visibility and positions us to provide solutions for the shopping customer. Third, our offerings of solar products and fixed price electricity and natural gas solutions will be attractive in an environment with increasing utility prices, as these products provide consumers with price certainty. Finally, we expect industry-wide increased customer attrition, new regulations, higher collateral costs and poor financial performance to drive many retail industry suppliers who are not committed to the industry to look for market exits via merger and acquisition opportunities.

To deliver long-term growth, management expanded our working capital facility with Macquarie Energy in February 2014 from \$25.0 million to \$60.0 million of availability which materially improves the financial capacity of the Company. The expanded facility allows for investment in growth, both organic and acquisition, while also supporting distributions to our unitholders. The facility expansion was a validation of Macquarie Energy's continued confidence in our business model, especially given the challenging conditions faced throughout the retail energy industry in the first quarter of 2014.

We continue to see acquisitions as an important component of our future growth. In the first quarter of this year, merger and acquisition activity has increased significantly as a result of the market conditions. There are many opportunities and management has been actively evaluating several counterparties in the quarter.

In addition to acquisitions, we expect our Network Marketing, Strategic Marketing Partnership and Direct Marketing channels all to continue to improve and remain productive in 2014 by delivering continued organic growth.

While we have flagged temporary elevated customer attrition rates over the coming quarters as we pass through higher rates to customers, we feel confident that our "warm" marketing channels are particularly well-positioned to drive growth in 2014. In our Network Marketing channel, marketed under the Viridian Energy brand name, the Company has experienced continued growth for the first two months of the first quarter of 2014 with approximately 3,900 new independent sales associates enrolled. The record-breaking growth of new independent associates in the quarter-to-date is encouraging. Historically we have seen a ratio of 15 Customers per independent sales associate, over the life of the associate's relationship with us, and expect we will see our newly enrolled associates propel future customer and associate growth in the remaining quarters of the year.

Our Strategic Marketing Partnership channel is expected to ramp up significantly when, in the second quarter, FTR Energy Services rolls out natural gas and electricity products to subscribers of Frontier Communications through multiple inbound care facilities. This is the result of our successful inbound sales trial with Frontier Communications in 2013. Historically, our Strategic Marketing Partnership channel is most effective when we are able to utilize the high-volume and "warm" nature of inbound customer calls to our Strategic Marketing Partners as a cross-selling opportunity for our electricity and natural gas products. The upcoming rollout through Frontier Communications represents the largest group of inbound agents to date through any of our partners and management believe that this will have a positive impact on 2014 customer growth. In 2014 we will look to similarly strengthen our other Strategic Marketing Partnerships and forge new ones.

In 2014 we expect to continue to diversify our commodities, products, customer segments, and geographies. This will increase earnings stability and mitigate our exposure to market-specific risks, including weather impacts. Regarding commodity diversification, management expects to grow our natural gas Customer base as a percentage of our overall portfolio. As for product diversity, management anticipates continued growth in fixed price products as well as continued growth in solar energy products. Regarding customer segment diversification, management is focused on driving commercial growth and has invested in systems and key hires to facilitate growth. Management is in the process of operationalizing commercial sales programs through our Network Marketing and Strategic Marketing Partnership channels, which have traditionally targeted residential accounts. As for geographic diversity, the Company has immediate plans to expand natural gas and electricity service to new markets.

Similarly, management is encouraged by the continued growth of our solar business. The sales growth is ramping up consistent with management expectations at launch and is expected to have a meaningful impact on fiscal year 2014 Adjusted EBITDA. In the Network Marketing channel, management have successfully expanded sales efforts into every market serviced by SolarCity which will help drive additional growth in 2014. In the Strategic Marketing Partnership channel, the Company recently announced that it has expanded its relationship with Frontier Communications to offer solar energy products to their customers initially in California, the largest market for solar energy products in the U.S. The solar energy products will be sold through a dedicated team of inbound customer service agents in the Frontier Communications call centers. Based on the success in California, the program is expected to be rolled out to Frontier Communications subscribers in Arizona, the second-largest solar market. Colorado, New York and Oregon. While the Company has proven its ability to participate in this fast growing market as a reseller, management is exploring opportunities to participate in other parts of the solar value chain in order to generate more value per customer and expand our presence in a market with strong long-term growth fundamentals.

In addition to growth, management is also focused on managing our cost base as we continue to scale operations. As disclosed previously, scale is a key competitive advantage in our industry as it provides a cost benefit per each customer served. The investments in technology and human capital made in 2013 and expected to continue in 2014 are generating cost savings from automation, improving sales and billing processes and promoting organic growth.

Finally, the Company was recently recognized as "Energy Supplier of the Year" at the inaugural Energy Marketing Conference. At that time it was stated that the criteria for the honour was to be an energy supplier that "managed to grow their business into a strong industry competitor while maintaining an outstanding reputation for integrity. In addition, consideration was also given to energy suppliers that successfully coordinated with joint venture partners to build brands and capitalize on opportunities in deregulated markets." We were pleased with this validation of our strategy and will continue to deploy it to deliver value in 2014 and beyond.

Off Balance Sheet Items

Pursuant to the Supplier Agreement, the Company has issued letters of credit totaling \$5.3 million to various counterparties, principally utilities.

Pursuant to separate arrangements with International Fidelity Insurance Corporation and ACE American Insurance Company, the Company has issued surety bonds to various counterparties including states, regulatory bodies and utilities in return for a fee and/or meeting certain collateral posting requirements. Such surety bond postings are required in order to operate in certain states or markets. Surety bonds issued as at December 31, 2013 totaled \$8.2 million.

Financial Instruments and Risk Management

Electricity and natural gas derivatives

The Company has entered into contracts with customers to provide electricity or natural gas at either variable or fixed prices, with the majority of the electricity and natural gas provided by the Company to customers pursuant to variable price contracts. Fixed-price contracts expose the Company to changes in market prices of electricity and natural gas, as the Company is obligated to purchase electricity and natural gas at floating wholesale market prices for the delivery to its customers. To reduce its exposure to short-term and long-term movements in commodity prices arising from the procurement of electricity and natural gas at floating prices, the Company uses derivative instruments. These derivative instruments are principally physical forward contracts and fixed-for-floating swaps whereby the Company agrees with a counterparty, currently Macquarie Energy, to take physical delivery or cash settle the difference between the floating price and the fixed price on a notional quantity of electricity or natural gas for a specified timeframe at a specified location. The cash flow from these instruments is expected to be effective in offsetting the Company's price exposure and serves to fix the Company's wholesale cost of electricity or natural gas to be delivered to the customer. The Company remains subject to commodity risk for any volumetric differences between the actual quantities used by customers and the forecasted quantities upon which the commodity hedging is based.

Realized swap settlements under derivative instruments are included in cost of sales in the consolidated statement of comprehensive income. Unrealized gains or losses resulting from changes in the fair value of the derivative instruments, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the consolidated statement of comprehensive income.

The fair value of derivative financial instruments is the estimated amount that the Company would pay or receive to dispose of these derivative instruments in the market in the unlikely event that the Company was required to dispose of its derivative instruments. The Company has estimated the value of derivative instruments using market-based, forward wholesale price curves.

As at December 31, 2013, the Company had fixed-for-floating swaps and physical natural gas forward contracts with the following terms:

	Notional Volume	Total Remaining Volume	Maturity Date	Fixed Price (\$)	Fair Value (\$)	Notional Value (\$)
Fixed-for-floating electricity swaps	1-35 MWh	1,402,719 MWh	1-24 months	\$22.70-\$87.62	\$18.5	\$72.6
Fixed-for-floating natural gas swaps	2,800- 263,000 MMBtu	1,378,500 MMBtu	1-11 months	\$3.62-\$4.01	\$0.7	\$5.4
Physical natural gas forward contracts....	8-11,254 MMBtu	995,441 MMBtu	1 month	\$3.30-\$9.40	\$(0.2)	\$6.1
Fixed-for-floating natural gas basis swaps	5,000- 153,000 MMBtu	1,442,000 MMBtu	1-3 months	\$(0.11)-\$1.86	\$1.3	\$1.2

Currency derivatives

The Company is exposed to currency risk as its business operations are conducted in United States dollars and distributions are denominated in Canadian dollars. To reduce its exposure to fluctuations in currency markets, the Company uses derivative instruments, including foreign exchange options whereby the Company agrees with a counterparty to have the right to swap the floating price and the fixed price on a notional quantity of currency at or over a specified timeframe. Realized settlements under derivative instruments are included in the relevant section of the consolidated statement of comprehensive income or consolidated balance sheet. Unrealized gains or losses resulting from changes in the fair value of

the derivatives, generally referred to as mark-to-market gains or losses, have been recognized as the change in fair value on derivative instruments in the consolidated statement of comprehensive income.

The fair value of derivative financial instruments is the estimated amount that the Company would pay or receive to dispose of these derivative instruments in the market in the unlikely event that the Company was required to dispose of its derivative instruments. The Company has estimated the value of derivative instruments using market-based prices and option valuation methods.

As at December 31, 2013, the Company had foreign currency derivatives outstanding with the following terms:

	Notional Value	Total Remaining Volume	Maturity Date	Fixed Price	Fair Value
December 31, 2013					
Foreign currency options	US\$9.4 C\$10.0	US\$9.4 C\$10.0	1-12 months	C\$1.07 per US\$1.00	US\$0.1

Transactions with Related Parties

Certain transactions between the Trust and its subsidiaries meet the definition of related party transactions, including primarily intercompany notes and administrative service fees amongst its subsidiaries. These transactions are eliminated on consolidation.

Crius Energy, LLC entered into a transition services agreement for professional services with a related party for an initial period of nine months commencing September 2012, with the option to extend the agreement for an additional nine months. In March 2013, Crius Energy, LLC gave notice to the related party that it would not extend the agreement subsequent to the initial six month term. As at December 31, 2013, there is \$ – (December 31, 2012 — \$0.02 million) included in Trade and other payables related to this agreement. For the year ended December 31, 2013, there is \$0.1 million included in General and administrative expense related to this agreement.

Crius Energy, LLC has entered into a Supplier Agreement with Macquarie Energy, which is related to Macquarie Americas Corp which is a unitholder in Crius Energy, LLC. Both Macquarie entities are part of the same group. As at December 31, 2013, Macquarie Energy had extended trade credit to the Company totaling \$40.6 million (December 31, 2012 — \$28.1 million) under this Supplier Agreement. As at December 31, 2013, there were letters of credit issued totaling \$5.3 million (December 31, 2012 — \$4.3 million) and cash advances drawn totaling \$6.5 million (December 31, 2012 — \$ –) under the working capital facility. During the year ended December 31, 2013, energy purchases totaled \$382.5 million (the period from inception at September 7, 2012 to December 31, 2012 — \$42.6 million) and interest expense under the Supplier Agreement totaled \$5.6 million (the period from inception at September 7, 2012 to December 31, 2012 — \$0.1 million). As at December 31, 2013, the aggregate availability under the credit facility was \$12.2 million (December 31, 2012 — \$12.7 million).

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

Risks and Uncertainties

The Trust's operations are affected by a number of underlying risks, both internal and external to the Trust. The Trust's financial position, results of operations and cash distributions are directly impacted by these factors.

A full listing of the operational and business risks is set out in the Trust's 2013 Annual Information Form that is available on www.sedar.com and on the Trust's website at www.criusenergytrust.ca.

The Trust's activities expose it to a variety of financial risks that arise as a result of its operating, investing, and financing activities, including:

- Market risk, including commodity risk, interest rate risk and foreign currency risk
- Credit risk, including customer credit risk and counterparty credit risk
- Liquidity risk

This section sets out information about the Trust's exposure to each of these risks, the Trust's objectives, policies and processes for measuring and managing risk, and the Trust's management of capital. Further quantitative disclosures are included throughout the audited consolidated financial statements.

Market risk

Market risk is the potential loss that may be incurred as a result of changes in the market or fair value of a particular instrument or commodity. Components of market risk to which the Trust is exposed are discussed below.

Commodity risk

The Trust is exposed to market risks associated with commodity prices and market volatility where estimated customer requirements do not match actual customer requirements. Management actively monitors these positions on a daily basis in accordance with its Risk Management Policy. This policy sets out a variety of limits, most importantly thresholds for open positions in the electricity and natural gas portfolios. The Trust's exposure to market risk is affected by a number of factors, including accuracy of estimation of customer commodity requirements, commodity prices, volatility and liquidity of markets. The Trust enters into derivative instruments in order to manage exposures to changes in commodity prices. The inability or failure of the Trust to manage and monitor the above market risks could have a material adverse effect on the operations and cash flow of the Trust.

Interest rate risk

The Trust is exposed to interest rate risk on certain advances within the Supplier Agreement with Macquarie Energy. The Trust has letters of credit and cash advances outstanding of \$11.8 million under this facility, and therefore is exposed to interest rate risk. The Trust's current exposure to interest rate risk does not economically warrant the use of derivative instruments and the Trust does not currently believe that it is exposed to material interest rate risk. In the year ended December 31, 2013, the impact of a 1% increase (decrease) in the interest rate on these balances would not have had a material impact on Finance costs in the consolidated statement of comprehensive income.

Foreign currency risk

The Trust is exposed to currency rate risk in that its business operations are conducted in United States dollars, however, its distributions and publicly listed units are denominated in Canadian dollars. The Trust's policy is to mitigate its exposure to currency rate movements by entering into currency derivative hedging products including options. The Trust maintains a rolling 12-month hedging program for this foreign currency exposure that is extended on a quarterly basis, and as at December 31, 2013 was hedged based on its current monthly distribution payout rate of C\$0.0833 per unit to December 31, 2014.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Trust is exposed to credit risk in two specific areas: customer credit risk and counterparty credit risk.

Customer credit risk

The Trust is exposed to customer credit risk and, therefore, credit review and other processes have been implemented to perform credit evaluations of customers and manage customer default. Customer credit risk exposure represents the risk related to the Trust's accounts receivable from Delaware, District of Columbia, Massachusetts, Maine, Maryland, New Hampshire, certain Ohio markets and New Jersey. If a significant number of customers in these markets were to default on their payments, it could have a material adverse effect on the operations and cash flows of the Trust.

For the remaining markets, the local distribution companies ("LDCs") provide collection services and assume the risk of any bad debts owing from the Trust's customers for a fee. Management believes that the risk of the LDCs failing to deliver payment to the Trust is minimal. There is no assurance that the LDCs that provide these services will continue to do so in the future.

As at December 31, 2013, the customer credit risk exposure amount of \$8.7 million and the accounts receivable aging for these markets are as follows:

	<u>Total</u>	<u>Current</u>	<u>30-59 days</u>	<u>Over 60 days</u>
Accounts receivable.....	\$8.7	\$3.9	\$1.1	\$3.7

Counterparty credit risk

Counterparty credit risk represents the loss that the Trust would incur if a counterparty fails to perform under its contractual obligations. This risk would manifest itself in the Trust replacing the contracted commodities or currencies at prevailing market rates, thus impacting the related financial results. Counterparty risk is limited to Macquarie Energy for all wholesale energy supply positions and other counterparties for currency derivatives. The failure of a counterparty to meet its contracted obligations could have a material adverse effect on the operations and cash flows of the Trust.

The maximum counterparty credit risk exposure amounted to \$20.3 million as at December 31, 2013 representing the risk relating to its derivative financial assets.

Liquidity risk

Liquidity risk is the potential inability to meet financial obligations as they fall due. The Trust manages this risk by monitoring cash flow forecasts for the next twelve months to ensure adequate and efficient use of cash resources and credit facilities.

The table above under the "Contractual Obligations" section of this MD&A outlines the contractual maturities of the Trust's financial liabilities as at December 31, 2013.

Supplier risk

The Trust purchases its energy delivered to its customers through contracts entered into with Macquarie Energy. The Trust has an exposure to supplier risk as the ability to continue to deliver energy to its customers is reliant upon the ongoing operations of this supplier and its contractual obligations.

International Financial Reporting Standards

The Trust prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

Critical Accounting Estimates

The preparation of consolidated financial statements requires the use of judgments, estimates and assumptions to be made in applying accounting policies that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, at the date of the consolidated financial statements, and the reported income and expenses during the reporting period.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the consolidated financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated. As the basis for its judgments, management uses estimates and related assumptions which are based on previous experience and various commercial, economic and other factors that are considered reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Actual outcomes may differ from these estimates under different assumptions and conditions.

Judgments, made by management in the application of IFRS that have a significant impact on the consolidated financial statements relate to the following:

(a) Revenue recognition

Accounts receivable includes an unbilled receivables component, representing the amount of energy consumed by customers as at the end of the period but not yet billed. Unbilled receivables are estimated by the Trust based on the

number of units of energy consumed but not yet billed, based on estimates using usage data available, multiplied by the current customer average sales price per unit.

(b) *Allowance for doubtful accounts*

The Trust reviews its accounts receivables at each reporting date to assess whether an allowance needs to be provided to reflect estimated amounts that will not be collected from customers. In particular, judgment by management is required in the estimation of the amount and timing of collectability of accounts receivable, based on financial conditions, the aging of the receivables, customer and industry concentrations, the current business environment and historical experience. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

(c) *Fair value*

Determining the fair value of derivative instruments requires judgment and is based on market prices or management's best estimates if there is no market and/or if the market is illiquid. Where the fair value of financial instruments recorded cannot be derived from active markets, they are determined using valuation techniques including making internally generated adjustments to quoted prices in observable markets. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility of the underlying commodity price. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The fair value of the non-controlling interest is measured principally based on the publicly traded unit price of the Trust, with an adjustment for the profit interest units of Crius Energy LLC that is calculated using an option pricing model. The fair value of the unit based compensation liability is measured by the publicly traded unit price of the Trust.

The fair value of financial instruments is significantly influenced by the variability of forward commodity and currency prices. Periodic changes in forward prices could cause significant changes in the marked-to-market valuation ("MTM Valuation") of these financial instruments. For example, assuming that all other variables remain constant:

Fixed-for-floating electricity swaps		
Percentage change in the forward spot price at December 31, 2013	Percent change in MTM Valuation	Dollar change in MTM Valuation
+/- 1%	+/- 4.9%	+/- \$0.9
+/- 5%	+/- 24.6%	+/- \$4.6
+/- 10%	+/- 49.3%	+/- \$9.1
Fixed-for-floating natural gas swaps		
Percentage change in the forward spot price at December 31, 2013	Percent change in MTM Valuation	Dollar change in MTM Valuation
+/- 1%	+/- 9.0%	+/- \$0.1
+/- 5%	+/- 45.2%	+/- \$0.3
+/- 10%	+/- 90.3%	+/- \$0.6
Physical natural gas forward contracts		
Percentage change in the forward spot price at December 31, 2013	Percent change in MTM Valuation	Dollar change in MTM Valuation
+/- 1%	+/- 21.0%	+/- \$0.1
+/- 5%	+/- 105.0%	+/- \$0.3
+/- 10%	+/- 210.0%	+/- \$0.6

Percentage change in the forward spot price at December 31, 2013	Fixed-for-floating natural gas basis swaps	
	Percent change in MTM Valuation	Dollar change in MTM Valuation
+/- 1%	+/- 1.9%	+/- \$0.0
+/- 5%	+/- 9.6%	+/- \$0.1
+/- 10%	+/- 19.1%	+/- \$0.2

(d) *Impairment of non-financial assets*

In assessing the recoverable amount of intangible assets or non-financial assets for potential impairment, the Company evaluates value in use and fair value less costs of disposal. In doing so, assumptions are made regarding the market capitalization of the Trust, recent market transactions or other market indicators, future cash flows, including the discount rate to be used to calculate the present value of those cash flows. These calculations require the use of estimates. If these estimates change in the future, the Trust may be required to record impairment charges related to intangible assets.

(e) *Useful life of property and equipment and intangible assets*

The amortization method and useful lives reflect the pattern in which management expects the asset's future economic benefits to be consumed by the Trust.

(f) *Acquisition accounting*

Management uses judgment to determine whether an acquisition qualifies as an asset acquisition or a business combination by reviewing inputs, processes, and outputs within a transaction. All identifiable assets, liabilities and contingent liabilities acquired in a business combination are recognized at fair value on the date of acquisition. Estimates are used to calculate the fair value of these assets and liabilities as at the date of acquisition.

(g) *Classification of Trust units as equity*

Trust units issued by the Trust give the holder the right to put the units back to the issuer in exchange for cash. IAS 32 *Financial Instruments: Presentation* establishes the general principle that an instrument which gives the holder the right to put the instrument back to the issuer for cash should be classified as a financial liability, unless such instrument has all of the features and meets the conditions of the IAS 32 "puttable instrument exemption". If these "puttable instrument exemption" criteria are met, the instrument is classified as equity. The Trust has examined the terms and conditions of its Trust Indenture and classifies its outstanding Trust units as equity because the Trust units meet the "puttable instrument exemption" criteria as there is no contractual obligation to distribute cash.

(h) *Consolidation of Entities in which the Trust has less than majority of ownership interest*

The Trust has determined that it controls the operating subsidiaries through its indirect wholly owned subsidiary, Crius Energy Corporation, notwithstanding its ownership interest is less than 50%. The factors the Trust considered in this determination include the relative size and dispersion of holdings by other shareholders, the Trust's right to a majority of Board Members and the sharing of key management positions between the entities.

New standards and accounting policies adopted

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those followed in the preparation of the Trust's prior year consolidated financial statements, except for the adoption of new standards and interpretations effective as of January 1, 2013. The Trust applied, for the first time, certain standards and amendments on January 1, 2013.

The IASB amended IFRS 7 *Financial Instruments: Disclosure* which clarifies the requirements for the offsetting of financial assets and liabilities. IFRS 7 has been applied as of January 1, 2013. IFRS 7 requires additional disclosures in the Trust's consolidated financial statements, which were incorporated in the Financial Instrument Note 13.

The IASB issued IFRS 13 *Fair Value Measurement* as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 has been adopted as of January 1, 2013. The adoption of IFRS 13 has not materially impacted the fair value measurements included in the consolidated financial statements, however, has required additional disclosures, which have been incorporated in the Financial Instruments Note 13.

The IASB issued IFRS 10 *Consolidated Financial Statements* to replace IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. The standard has been adopted as of January 1, 2013. IFRS 10 had no impact on the Trust's consolidated financial statements upon adoption as the current consolidation method adheres to this standard.

The IASB issued IFRS 11 *Joint Arrangements* to replace IAS 31 Interests in Joint Ventures. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. IFRS 11 has been adopted as of January 1, 2013. IFRS 11 had no impact on the Trust's consolidated financial statements upon adoption as the Trust and subsidiaries are not parties to any joint arrangements.

The IASB issued IFRS 12 *Disclosure of Interests in Other Entities* to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). The standard has been adopted as of January 1, 2013. IFRS 12 had no impact on the Trust's consolidated financial statements.

IAS 19 *Employee Benefits* amendments, issued in June 2011, changed the accounting for defined benefit plans and termination benefits. This standard requires that the changes in defined benefit obligations are recognized as they occur, eliminating the corridor approach and accelerating the recognition of past service costs. The changes in defined benefit obligation and plan assets are to be disaggregated into three components: service costs, net interest on the net defined benefit liabilities (assets) and remeasurements of the net defined benefit liabilities (assets). This standard is to be applied for accounting periods beginning on or after January 1, 2013. The adoption of the amendments to IAS 19 did not have an impact on the Trust's consolidated financial statements.

IAS 36 *Impairment of Assets* was amended by the IASB in May 2013. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014, however, the Trust has early adopted this amendment during 2013 (Note 12).

Several other new amendments and annual improvements including IFRIC Interpretation 20, Amendments to IFRS 1 and Annual Improvements to IFRS 2009 – 2011 Cycle apply for the first time in 2013; however, they do not impact the consolidated financial statements of the Trust.

Future accounting pronouncements

Recent accounting pronouncements that are issued but not yet effective up to the date of issuance of the Trust's consolidated financial statements are listed below.

The IASB issued IFRS 9 *Financial Instruments: Classifications and Measurements* as the first step in its project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

In November 2013, the IASB issued an amended version of IFRS 9 *Financial Instruments* which includes the new hedge accounting requirements and some related amendments to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*. IFRS 9 does not yet have a mandatory effective date. The Trust has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

The IASB reissued IAS 27 *Separate Financial Statements* to reflect the change as the consolidation guidance has recently been included in IFRS 10. In addition, IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when the Trust prepares separate financial statements. IFRS 27 is effective for years beginning on or after April 1, 2013. These amendments will have no impact on the Trust's consolidated financial statements.

The IASB amended IAS 28 *Investments in Associates and Joint Ventures* as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12. IAS 28 has been amended and will further provide the accounting guidance for investments in associates and will set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This standard will be applied by the Trust when there is joint control or significant influence over an investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not include control or joint control of those policy decisions. When it has been determined that the Trust has an interest in a joint venture, the Trust will recognize an investment and will account for it using the equity method in accordance with IAS 28. IAS 28 is effective for years beginning on or after April 1, 2013. IFRS 28 will have no impact on the Trust's consolidated financial statements on adoption as the Trust has no associates or joint ventures that are currently accounted for under the equity method.

Amendment to IAS 32 *Offsetting Financial Assets and Financial Liabilities* was issued in December 2011, and clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement". These amendments are applicable for annual periods beginning on or after January 1, 2014. The Trust does not anticipate that the applications of these amendments will have a significant impact on the Trust's consolidated financial statements.

IAS 39 *Financial Instruments: Recognition and Measurement* was amended by the IASB in June 2013. The amendments clarify that novation of a derivative designated in a hedging relationship to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. This amendment is not expected to have an impact on the Trust's consolidated financial statement.

IFRIC 21 *Levies* was amended by the IASB in June 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The main features of IFRIC 21 are: (i) the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation, and (ii) the liability to pay a levy is recognized progressively if the obligating event occurs over a period of time. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. This amendment is not expected to have an impact on the Trust's consolidated financial statements.

Disclosure Controls and Procedures & Internal Controls over Financial Reporting

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and of the preparation of financial statements for external purposes in accordance with IFRS. Management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for establishing and maintaining adequate ICFR, as such term is defined in National Instrument 52-109 to provide reasonable, but not absolute, assurance regarding the reliability of our financial reporting as well as designing disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Company in its corporate filings has been recorded, processed, summarized and reported within the time periods specified in securities legislation.

A material weakness in ICFR exists if a deficiency is such that there is reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. Because of its inherent limitations, ICFR may not prevent or detect misstatements. Also, projections or any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been

detected. Accordingly, our disclosure controls and procedures and our ICFR are designed to provide reasonable, not absolute, assurance that the objectives of our control systems have been met.

As of December 31, 2013, the Company assessed the effectiveness of its ICFR using the criteria set forth in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). During this process, Management identified deficiencies in the design of key controls in certain financial and information technology processes and may find others that will require remediation as their assessment continues in 2014. Accordingly, Management has concluded that the aggregation of these design deficiencies, coupled with the fact that key controls have not yet been fully tested to determine operating effectiveness, constitutes a material weakness in the design and operating effectiveness of internal controls over financial reporting. Notwithstanding the above-mentioned material weakness, we have concluded that the consolidated financial statements included in this filing fairly present our consolidated financial position and consolidated results of operations as of and for the year ended December 31, 2013 and from inception on September 7, 2012 to December 31, 2012. There is no restatement of financial statements arising from the material weakness in internal controls identified above. Current and planned steps Management are undertaking to remediate these weaknesses in internal controls are outlined below.

Changes to Internal Control over Financial Reporting

National Instrument 52-109 also requires public companies in Canada to disclose in their MD&A any change in internal controls over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Management is continuing to assess and review its disclosure controls and procedures, including internal controls over financial reporting, on an ongoing basis and is working to strengthen the Trust's disclosure controls and procedures and internal controls over financial reporting, by taking such actions to date as those described below. We expect to continue to assess our progress and needs over the coming year which may result in further changes:

- Management has recruited additional qualified and experienced staff in the accounting and finance department to assist with its accounting processes and ICFR. This resulted in the addition to our team of a seasoned Senior Vice President of Finance as well as a Corporate Controller. We are also committed to reassessing our staffing levels in the coming months to determine if other accounting resources should be added to our team to handle the workload, provide extra technical depth, provide bench strength and further promote segregation of duties. As part of this process, certain functions that are either outsourced to accounting or tax specialists are being moved into our corporate headquarters. In the fourth quarter of 2013, we added an experienced Director of Tax that reports to the Senior Vice President of Finance. Likewise, we have revised the department's structure to provide more direct supervision by our Senior Vice President of Finance over our accounts receivables as well as credit and collections activities, while shifting certain energy procurement and hedging activities to the responsibility of our new Chief Operating Officer.
- In the third quarter of 2013, Management hired an independent professional consulting firm, with expertise in ICFR matters, to assist us in the design, documentation and testing of our internal controls and procedures. Under Management's direction, they worked with Company Management to define the scope of our ICFR effort for 2013 and 2014 and in the fourth quarter of 2013, started assisting the Company in documenting the controls pertaining to the key financial cycles as well as, entity-level and information technology processes that Management deems to be of higher risk; lower risk cycles will be addressed in 2014. Our focus in 2013 and 2014 relates to the following areas / cycles: Corporate Governance; Information Technology; Financial Reporting; Revenue and Accounts Receivable; Cost of Sales and Operating Expenditures (Purchasing and Accounts Payable); Goodwill, Intangibles and Long-lived Assets; Hedging and Derivative Instruments; Income and Sales Taxes; Non-Controlling Interest; Distribution to Unit Holders; Selling Costs; Payroll; Fixed Assets; and Foreign Exchange.
- Systems for internal control for the business acquired by the Trust in 2012 has been implemented and are now being refined. Management is in the process of enhancing and formalizing the design of internal control over financial reporting to ensure the Trust's standards are maintained. As a newly established public company, as expected, the ICFR team continues to identify areas for improvement and remediation that require Management's attention in 2014 to create, revise and strengthen the design of our control structure. We have already identified many processes that are undocumented, reliant on manual activities, in need of tighter controls, etc. and we will continue to do so in 2014. The level of effort and elapsed time to effect the remediation of controls can be significant in certain situations if the change is complex, involving new policies, practices and/or systems/providers.

- We continue to develop proper documentation and training of staff on period-end controls including cut-off procedures, account reconciliations and reviews thereof, and effect enhanced management oversight over the financial statements close process and journal entry review/approval. This will be an ongoing process as new personnel continue to be added to our financial accounting function. Management will continue to enhance its closing checklist to reflect all of the steps needed to complete its financial statement close process as well as note completion dates and sign-offs by the responsible parties and reviews.
- A more robust operating and capital budgeting process is being launched for calendar year 2014 which will facilitate easier oversight, variance analysis and reforecasting. We also plan to enhance the variance analyses we conduct in connection with our period-end and daily activities.
- To enhance our entity-level controls related to Corporate Governance, the Company rolled out an Employee Handbook and Computer Use Policy and appointed a new Vice President of Human Resources, reporting to the Chief Operating Officer. By the end of the second quarter of 2014, Management plans to adopt a formal disclosure checklist and have the Board conduct their self-assessment. The implementation of a formal Whistleblower Policy, including hotline and Board reporting sourced through a third party, was completed in early 2013.
- The planning for the implementation of a new and more robust accounting system and related sub-systems was initiated in the third quarter of 2013 to replace an outdated system that lacks the types of functionality, security and audit capabilities we now require given the size, complexity and structure of our business. This new commercial off-the-shelf solution, once fully operational by the end of calendar year 2014, will provide for better control, reporting and analysis. Along with acquiring the software, Management has engaged a consulting firm experienced with the product to assist in the planning, configuration, prototyping, customization (if required), training, security setup, program change control, data conversion, chart of account mapping, report development, system and user acceptance testing, etc. Project management responsibilities and overall sponsorship will remain with senior Company personnel, including representatives of the Financial Accounting and Information Technology groups. The implementation of the specific modules will continue in 2014 in a phased manner, including construction of interfaces to legacy and feeder systems. Revisions to our ICFR design documentation will be necessary in 2014 as we move from a more manual to an automated process. Management may elect to defer the implementation of certain modules or construction of automated interfaces based on the level of effort required to achieve these changes without disrupting the day-to-day operations and period-end closing, consolidation and reporting process.
- The Company currently relies on various outsourced providers to provide specialized information technology systems for payroll, coordination of customer and utility electronic data interchange, billings/receivables management, commissions tracking and network marketing associate payments as well as internal systems for financial reporting and other core functions. In addition, end user applications like spreadsheets and local databases are used to enable computations and analyses performed as part of our operations and financial activities. Because of the number of different platforms, systems and vendors we work with and the desire to migrate some of these functions internally, we have recently hired experienced senior IT personnel to begin to build an in-house IT function and reduce our dependency on consultants and contractors. In the fourth quarter of 2013, the IT team has started to address the need to enhance our logical and physical security practices related to our infrastructure, applications and protection of sensitive data, adopt and roll out a uniform system development methodology that will be leveraged initially for the implementation of the new financial accounting package, and formalize our operating procedures for backup and recovery, business continuity; develop schematics that show the flow of data, including records transfer, between systems (whether built and/or managed by Company personnel or third parties); we expect that this remediation work will continue throughout 2014. The level of effort required is expected to be substantial. The scope of our IT group's responsibilities will also extend to oversight of these outsourced providers and working with end users to tighten spreadsheet and database controls for those tools deemed critical for financial reporting. We have recently learned that some of the outsourced providers we use for processing and other work do not have Service Organization Control Reports that supply information regarding the internal controls at the service organizations; Management will consider what contractual, audit or other steps can be taken to evaluate risks of reliance on these providers and how to mitigate any control issues that are identified. As it relates to end-user computing, the Company will take inventory of critical key spreadsheets used in support of financial reporting, energy revenue, rates/pricing, hedging/swaps, forecasting, commissions, etc., assign responsibility for the periodic validation of the formulas/models and establish standard naming conventions, retention rules, and network storage/archival requirements by the end of calendar year 2014.

These measures were an on-going process during 2013 and will continue throughout 2014. Management will report on additional plans and the progress achieved towards improving the effectiveness of internal controls in subsequent public

filings. Given the scope of the effort and the ongoing or upcoming changes in people, processes and systems, our immediate focus is on the design of the new control structure so the testing for operating effectiveness will likely not occur until the end of calendar year 2014. Accordingly we plan to extend/renew the service agreement with the independent professional consulting firm to perform ICFR testing starting in the second quarter of 2014 and assign Company resources to develop Company-wide policies and procedures in conjunction with the implementation of the new financial accounting system.

There were no other changes in internal controls over financial reporting during the year ended December 31, 2013 that materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

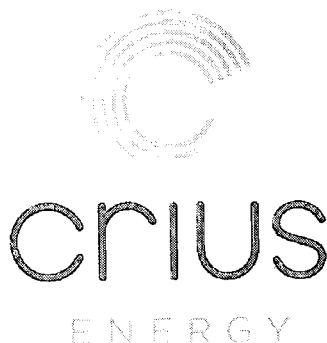
Note about Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information that involve substantial known and unknown risks and uncertainties, most of which are beyond the control of the Trust, including, without limitation, those listed under "Risk Factors" and "Forward-Looking Statements" in the Trust's Annual Information Form that is available on www.sedar.com and on the Trust's website at www.criusenergytrust.ca (collectively, "forward-looking statements"). Forward-looking information in this MD&A includes, but is not limited to, the Trust's objectives and status as a mutual fund trust and not a SIFT trust, results of operations, financial position or cash flows, customer revenues and margins, customer additions and renewals, customer attrition, customer consumption levels, general and administrative expenses, treatment under governmental regulatory regimes, distributable cash and Crius Energy's expectations and estimates regarding the payment of distributions to unitholders. The Trust cautions investors about important factors that could cause the Trust's actual results to differ materially from those projected in any forward-looking statements included in this MD&A. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that the expectations set out in this MD&A will prove to be correct and, accordingly, such forward-looking statements should not be unduly relied upon. These statements speak only as of the date of this MD&A and the Trust does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by applicable securities laws. New factors emerge from time to time, and it is not possible for Management to predict all of these factors or to assess in advance the impact of each such factor on the Trust's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.



**Notice of Annual Meeting of Unitholders
Wednesday, May 14, 2014**

Management Information Circular



NOTICE OF ANNUAL MEETING OF UNITHOLDERS

TO: THE UNITHOLDERS OF CRIUS ENERGY TRUST

The annual meeting (the "**Meeting**") of the holders ("**Unitholders**") of trust units ("**Units**") of Crius Energy Trust (the "**Trust**") will be held at the offices of Bennett Jones LLP at Suite 3400, One First Canadian Place, Toronto, Ontario, on Wednesday, May 14, 2014, at 3:00 p.m. (Toronto time), for the following purposes:

- 1) to receive and consider the audited consolidated financial statements of the Trust for the year ended December 31, 2013, together with the report of the auditors thereon;
- 2) to appoint the independent auditors of the Trust;
- 3) to elect the directors of Crius Energy Administrator Inc.; and
- 4) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be dealt with at the Meeting are described in the Management Information Circular accompanying and forming part of this notice. The directors have fixed April 4, 2014, as the record date for the determination of the Unitholders entitled to receive notice and vote at the Meeting.

A Unitholder may attend the Meeting in person or may be represented by proxy. Unitholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it to the Trust's transfer agent:

**Computershare Trust Company of Canada
Proxy Department
135 West Beaver Creek, P.O. Box 300
Richmond Hill, Ontario, L4B 4R5**

at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before the Meeting or any adjournment or postponement thereof.

DATED at Toronto, Ontario on April 9, 2014.

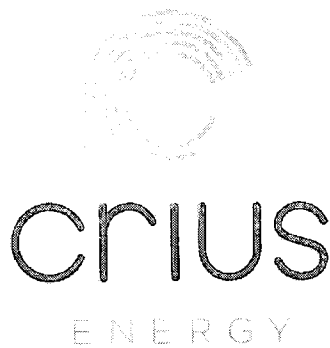
**Crius Energy Administrator Inc.,
as administrator of Crius Energy Trust**

(Signed) Michael Fallquist

Michael Fallquist
Chief Executive Officer and Director

TABLE OF CONTENTS

VOTING – QUESTIONS AND ANSWERS	2
Voting and Proxies	2
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON.....	5
PURPOSES OF THE MEETING	5
Receipt of Financial Statements and Auditor's Report	5
Appointment of Auditors of the Trust.....	6
Election of Directors of the Administrator.....	6
Other Business.....	11
COMPENSATION DISCUSSION AND ANALYSIS.....	11
Governance, Nomination & Compensation Committee	11
Compensation Program – General	11
Compensation Objectives and Principles	11
Compensation and Risk.....	12
Elements of Compensation.....	12
Performance Graph	13
Summary Compensation Table	14
Option-Based and Unit-Based Awards Outstanding.....	15
UNIT-BASED COMPENSATION PLANS.....	15
Restricted Trust Unit Plan.....	15
Phantom Unit Rights Plan.....	17
Securities Authorized for Issuance under Equity Compensation Plans	18
TERMINATION AND CHANGE OF CONTROL BENEFITS	18
Executive Contracts.....	18
Restricted Trust Unit Plan.....	19
DIRECTORS' COMPENSATION	19
Unit-Based Awards Outstanding.....	20
DIRECTORS AND OFFICERS LIABILITY INSURANCE	21
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	21
STATEMENT OF CORPORATE GOVERNANCE	21
The Board.....	21
Charter.....	22
Position Descriptions.....	22
Orientation and Continuing Education.....	23
Ethical Business Conduct.....	23
Nomination of Administrator Directors	23
Board Committees.....	23
Assessment of Directors, the Board and Board Committees	24
Meeting Attendance Record.....	25
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.....	25
REGULATORY MATTERS AND BANKRUPTCIES AND INSOLVENCIES.....	26
Cease Trade Orders	26
Bankruptcies	26
Penalties or Sanctions.....	26
FINANCIAL INSTRUMENTS	26
ADDITIONAL INFORMATION.....	27
Directors' Approval	27
APPENDIX "A" – BOARD CHARTER	
APPENDIX "B" – GOVERNANCE, NOMINATION & COMPENSATION COMMITTEE CHARTER	



MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular dated April 9, 2014 (the "**Circular**") is provided in connection with the solicitation of proxies by the management ("**Management**") of Crius Energy Administrator Inc. (the "**Administrator**"), the administrator of Crius Energy Trust (the "**Trust**") for use at the annual meeting of the holders (the "**Unitholders**") of the Trust (the "**Meeting**") to be held at the time and place and for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of Meeting**").

If you are not able to attend the meeting, please exercise your right to vote by completing the enclosed form of proxy or voting instruction form and, in the case of registered Unitholders depositing it at the offices of the Trust's transfer agent, Computershare Trust Company of Canada ("**Computershare**") at:

Computershare Trust Company of Canada
Proxy Department
135 West Beaver Creek, P.O. Box 300
Richmond Hill, Ontario, L4B 4R5

at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment or postponement thereof.

If you are a non-registered Unitholder reference is made to the section below entitled "How can a non-registered Unitholder vote?"

VOTING – QUESTIONS AND ANSWERS

To ensure representation of your Units at the Meeting, please complete, sign and return your form of proxy, or if you are not a registered Unitholder, the voting instruction form, that was sent to you, as soon as possible. It is important that your Units be represented at the Meeting and that your wishes be made known to the Trust. This will be assured, whether or not you attend the Meeting, if you complete and sign the form of proxy or voting instruction form, as the case may be, that was sent to you and return it as soon as possible. The following questions and answers provide guidance on how to vote your Units. If you are a non-registered Unitholder, please refer to the section below entitled "How can a non-registered Unitholder vote?"

VOTING AND PROXIES

Who is soliciting my proxy?

This Circular is furnished in connection with the solicitation by Management of proxies to be used at the Meeting and at any adjournment or postponement thereof. The solicitation of proxies will be primarily by mail, but may also be made by telephone, facsimile transmission or other electronic means of communication, or in person by the directors, officers and employees of the Administrator. The cost of solicitation of proxies will be borne by the Trust.

What will I be voting on?

Unitholders will be voting:

- 1) to appoint the independent auditors of the Trust; and
- 2) to elect the directors of the Administrator (the "**Administrator Directors**").

Even though Unitholders are not shareholders of the Administrator, pursuant to the voting agreement (the "**Voting Agreement**") among Computershare, in its capacity as trustee of the Trust (the "**Trustee**"), as agent for the Unitholders, the Administrator and 664848 N.B. Inc. (the "**Administrator Shareholder**"), the Administrator Shareholder (the sole shareholder of the Administrator and a company of which all shares are held by Michael Fallquist, the Chief Executive Officer ("**CEO**") and an Administrator Director) agreed to vote its shares of the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the election of the Administrator Directors and the appointment of the auditors of the Trust. See "Voting Agreement" in the Annual Information Form of the Trust for the year ended December 31, 2013 (the "**AIF**").

Units may be voted for or withheld from voting on, the election of each of the Administrator Directors and the appointment of the independent auditors of the Trust. **As indicated elsewhere in this Circular, Management recommends that Unitholders vote FOR each of the above resolutions.**

How will these matters be decided at the Meeting?

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast by or on behalf of Unitholders present in person or represented by proxy.

Who can vote?

Unitholders who are registered as at the close of business on April 4, 2014, the record date for the Meeting, will be entitled to receive notice and vote at the Meeting or at any adjournment or postponement thereof, either in person or by proxy. If a Unitholder did not hold a Unit on April 4, 2014, the Unitholder is not entitled to receive notice and vote at the Meeting or at any adjournment or postponement thereof.

How many Units are eligible to vote?

As at the close of business on April 9, 2014, 10,014,924 Units were outstanding. Each Unit held at that date entitles its holder to one vote at the Meeting. RBC Global Asset Management Inc. filed a report dated January 10, 2013 with securities regulators stating that it controls 1,004,000 (or approximately 10.04%) of the Units. To the knowledge of the directors and officers of the Administrator, as of the date hereof, no other person or company beneficially owns, directly or indirectly, or exercises control or direction over Units carrying 10% or more of the voting rights attached to the issued and outstanding Units.

Quorum for the Meeting

As set out in the trust indenture of the Trust dated as of September 7, 2012 (the "**Trust Indenture**"), quorum at the Meeting will consist of two or more persons present in person or represented by proxy who hold in the aggregate not less than 10% of the outstanding Units. If a quorum is not present at the Meeting within 30 minutes after the time fixed for the holding of the Meeting, the Meeting will stand adjourned to a day not less than 14 days later and to a place and time as determined by the chairman of the Meeting and if at such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy shall be deemed to constitute a quorum.

How do I vote?

If you are eligible to vote and your Units are registered in your name, you can vote your Units in person at the Meeting or by proxy, as explained below. **If your Units are held in the name of an intermediary, please see the instructions below under "How can a non-registered Unitholder vote?"**

How can a registered Unitholder vote?

If your Units are registered on the record date directly in your name with Computershare, you are considered with respect to those Units to be a "registered Unitholder". The Circular and form of proxy have been sent directly to you by Computershare.

1. Voting by Proxy

If your Units are registered in your name, you may appoint someone else to vote for you as your proxyholder by using the enclosed form of proxy. The persons named in the enclosed form of proxy are officers of the Administrator. **You have the right to appoint another person or company, who need not be a Unitholder, to represent you at the Meeting, by inserting the person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. Proxyholders should present themselves to a representative of Computershare at the Meeting.**

(i) You can vote by proxy as follows:

(A) by Mail

You can complete, sign and date your form of proxy and return it in the envelope provided to the offices of Computershare at:

Computershare Trust Company of Canada
Proxy Department
135 West Beaver Creek, P.O. Box 300
Richmond Hill, Ontario, L4B 4R5

(B) by Telephone

You can vote by telephone by calling 1-866-732-8683 (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. You will need your 15 digit control number which is noted on your form of proxy. **Please note that if you vote by telephone, you cannot appoint anyone other than the persons named in the enclosed form of proxy as your proxyholder.**

(C) on the Internet

You can vote on the internet by going to www.investorvote.com and following the instructions on the screen, or scanning the QR code provided on your form of proxy. You will need your 15 digit control number which is noted on your form of proxy.

(ii) What is the deadline for receiving the form of proxy?

The deadline for depositing the duly completed form of proxy with Computershare is not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time of the Meeting or any adjournment or postponement thereof.

(iii) How will my Units be voted if I give my proxy?

You may indicate the manner in which the appointee is to vote your Units with respect to any matter put to a vote at the Meeting and on any ballot, and your Units will be voted accordingly. If you wish to confer a discretionary authority with respect to any item of business, then leave the space opposite the matter blank. The Units represented by the completed form of proxy submitted by you will be voted in accordance with the directions, if any, given in the form of proxy. **In the absence of such direction, such Units will be voted "FOR" each item identified in the Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, Management knows of no such amendments, variations or other matters to come before the Meeting.

The instrument appointing a proxy must be in writing and must be executed by you or your authorized attorney or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

(iv) How can I revoke my proxy?

You can revoke your proxy at any time before it is exercised, by requesting, or having your authorized attorney request, in writing to revoke your proxy. The request must be deposited either by mail to the office of Computershare at the above-mentioned address at any time up to and including 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof. If you have returned a proxy and attend the Meeting in person and vote, any such votes will be counted and the proxy will be disregarded. A Unitholder may also revoke a proxy in any other manner permitted by law.

2. Voting in Person

If you wish to vote in person, you may present yourself to a representative of Computershare at the registration table for the Meeting. Your vote will be taken and counted at the Meeting. If you wish to vote in person at the Meeting, do not complete or return the form of proxy.

How can a non-registered Unitholder vote?

If your Units are not registered in your name and are held in the name of an intermediary such as a bank, trust company, securities dealers or brokers or other financial institution, you are a "non-registered Unitholder".

Only registered Unitholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting. Non-registered Unitholders are permitted solely to attend but not to vote at the Meeting, unless appointed as a proxyholder. Without specific instructions, Canadian brokers and their agents or intermediaries are prohibited from voting Units for the broker's client. If you are a non-registered Unitholder, you can vote your Units in the ways set out below:

1. Giving your Voting Instructions

Broadridge Financial Solutions, Inc. ("**Broadridge**") will forward copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the "**meeting materials**") to non-registered Unitholders. Broadridge will also provide you with a voting instruction form, which must be completed and signed by you in accordance with the directions on the voting instruction form. This will allow you to direct the voting of the Units you beneficially own.

Non-registered Unitholders should carefully follow the instructions of Broadridge, including any instructions as to the time within which you will be required to return voting instruction forms to Broadridge.

You may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to Broadridge at any time by written notice to Broadridge, except that Broadridge is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive meeting materials and to vote that is not received by Broadridge at least seven days prior to the Meeting.

2. Voting in Person

Non-registered Unitholders are permitted to attend the Meeting. Should a non-registered Unitholder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the non-registered Unitholder), they should advise Broadridge, in accordance with the instructions set out on the voting instruction form.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management is not aware of any material interest of any director, senior officer or nominee for director of the Administrator, or of any associate or affiliate of any of the foregoing, in respect of any matter to be acted on at the Meeting except as disclosed in this Circular.

PURPOSES OF THE MEETING

RECEIPT OF FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The audited consolidated financial statements of the Trust for the year ended December 31, 2013 and the auditor's report thereon will be placed before the Meeting. These documents are available on the Trust's website at www.criusenergytrust.ca and on SEDAR under the Trust's issuer profile at www.sedar.com. No formal action will be taken at the Meeting to approve the financial statements, which have already been approved by the board of directors of the Administrator (the "**Board**"). Unitholders will, however, have an opportunity to ask questions about the audited consolidated financial statements at the Meeting.

APPOINTMENT OF AUDITORS OF THE TRUST

The Trust Indenture appointed Ernst & Young LLP as the initial auditors of the Trust on September 7, 2012 and provides that the auditors of the Trust will be appointed at each annual meeting of Unitholders. Ernst & Young LLP was appointed as auditors at the annual meeting of Unitholders on May 14, 2013. The Board proposes that Ernst & Young LLP be reappointed as auditors of the Trust until the next annual meeting at such remuneration as may be approved by the Board.

Pursuant to the Voting Agreement, the Administrator Shareholder will vote its shares of the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the appointment of the auditors of the Trust. See "Voting Agreement" in the AIF.

Unless otherwise instructed, the persons named in the form of proxy intend to vote **FOR** the appointment of Ernst & Young LLP as auditors of the Trust and for the Board to fix the remuneration of the auditors.

ELECTION OF DIRECTORS OF THE ADMINISTRATOR

Pursuant to the terms of the Voting Agreement, the Administrator Shareholder will vote its shares of the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to, among other things, the election of the Administrator Directors. See "Voting Agreement" in the AIF.


All of the Administrator Directors hold office for a term ending at the close of the next annual meeting of Unitholders following their election or until their successors are duly appointed or elected.

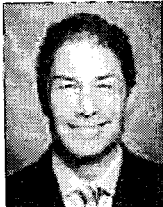
Nominees for Election to the Board of Directors

All of the proposed nominees are currently directors of the Administrator and have been since the dates indicated below. All nominees have established their eligibility and willingness to serve as directors. If, for any reason at the time of the Meeting, any of the above nominees is unable to serve, unless otherwise specified, the persons designated in the form of proxy may vote in their discretion for any substitute nominee or nominees.

The seven nominees for election as directors of the Administrator, including all officer positions currently held with the Administrator, present principal occupation and employment for the past five years, meeting attendance records and direct and indirect beneficial ownership of, or control or direction over, Units, restricted trust units ("RTUs") and membership units of the Trust ("Membership Units") held by each nominee are set out below.


Unless otherwise instructed, the persons named in the form of proxy intend to vote **FOR** the election of each of the proposed nominees listed below and in the form of proxy. Each director will be elected individually and not as a slate.

	Michael Fallquist Director since 2013		
	<p>Michael Fallquist is the CEO of the Administrator and the Trust and currently serves as an Administrator Director. Prior to that, Mr. Fallquist served as CEO of Regional Energy Holdings, Inc. ("REH") before combined with Public Power, LLC ("Public Power"), forming Crius Energy, LLC (the "Company"). REH is a company he founded in 2009 to manage a portfolio of energy service companies including Viridian Energy, Cincinnati Bell Energy, FairPoint Energy and FTR Energy Services. In addition to developing the concept for the company and writing the business plan, Mr. Fallquist successfully raised the equity and debt capital necessary to launch REH.</p> <p>Prior to founding REH, Mr. Fallquist served as the Chief Operating Officer of Commerce Energy, a publicly listed natural gas and electricity retailer serving more than 150,000 customers in multiple states. Before joining Commerce Energy, Mr. Fallquist worked for the Macquarie Group in Australia and in the United States, where he gained experience as a member of the Strategy Group, and in various energy trading and marketing roles within Macquarie Cook Energy.</p>		
Education	Mr. Fallquist earned a B.A. in Economics from Colgate University and an M.B.A. from Cornell University.		
Investment in the Trust and its subsidiaries	Units	RTUs	Membership Units
	0	36,777 ⁽¹⁾	1,756,536 (5.1%)
Governance	Board/Committee Memberships		Attendance at Meetings during 2013
	Board of Directors		6/6 (100%)

	Robert Gries, Jr. Director since 2009		
	<p>Robert Gries, Jr. currently serves as Chairman of the Board and as a director of the Trust. Mr. Gries served as Chief Executive Officer of Public Power, LLC, a company engaged in the marketing of electricity and natural gas, from September 2009 until the combination of Public Power with REH, forming the Company. Mr. Gries is also director of several investment funds, through which he has managed investments in excess of \$100 million.</p> <p>Mr. Gries also sits on various boards, including the University of Tampa. He was formerly a director of the Cleveland Browns and assisted in the sale of his family's 43% ownership interest in the franchise in 1996. The Gries family were minority owners of the Cleveland Browns from inception in 1936 until 1996. From 1991 to 1994, Robert was the majority owner, President and Chief Executive Officer of the Tampa Bay Storm, an Arena Football franchise and was elected League Executive of the Year in 1993.</p>		
Education	Mr. Gries holds a B.A. in Education from the University of Michigan.		
Investment in the Trust and its subsidiaries	Units	RTUs	Membership Units
	4,264	0	92,571 (0.3%) ⁽²⁾⁽³⁾
Governance	Board/Committee Memberships		Attendance at Meetings during 2013
	Board of Directors (Chairman)		4/6 (67%)


Notes:

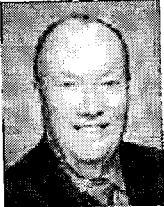
- (1) RTUs for Mr. Fallquist include 33,333 granted in May 2013 and 3,444 accrued RTUs for distributions made from May through December 31, 2013.
- (2) Mr. Gries is the beneficial owner of 12,070,453 (35.3%) Membership Units through his ownership interest in Gries Investment Fund I, LLC which has an ownership interest in GF Power I, LLC and GF Factoring, LP.
- (3) Mr. Gries is the Managing Member and Director of GF Power I, LLC and GF Factoring, LP. GF Power I, LLC and GF Factoring, LP, which are controlled by Mr. Gries, own a combined 12,070,453 (35.3%) Membership Units.


	James A. Ajello		
	<p>James A. Ajello currently serves as an Administrator Director, a member of the Audit and Risk Committee and as a director of the Trust. Mr. Ajello is the Executive Vice President, Chief Financial Officer, Treasurer and Chief Risk Officer of Hawaiian Electric Industries, Inc. (NYSE: HE), the largest supplier of electricity in the state of Hawaii. Mr. Ajello's prior experience includes serving Reliant Energy Inc., an energy retailer, from 2000 to 2009, most recently as Senior Vice President of Business Development and also as Senior Vice President and General Manager of Commercial and Industrial Marketing and President of Reliant Energy Solutions LLC. In addition, Mr. Ajello was a Senior Banker/Managing Director of the Energy and Natural Resources Group of UBS Warburg/UBS Securities LLC and affiliates from 1984 to 1998. Currently, Mr. Ajello is chairman of the U.S. Department of Energy's Environmental Management Advisory Board and serves on the Board of Trustees of Hawaii Pacific University and its division, The Oceanic Institute. Mr. Ajello also serves on the Board of the Hawaiian Electric Industries Community Foundation and is a member of the Board of Trustees of Enterprise Honolulu (Oahu Economic Development Board).</p>		
Education	<p>Mr. Ajello holds a bachelor's degree from the State University of New York, an M.P.A. from Syracuse University and is a graduate of the Advanced Management Program of the European Institute of Business Administration in Fontainebleau, France.</p>		
Investment in the Trust and its subsidiaries	Units	RTUs	Membership Units
	2,132	0	0
Governance	Board/Committee Memberships		Attendance at Meetings during 2013
	Board of Directors		6/6 (100%) ⁽¹⁾
	Audit and Risk Committee		2/2 (100%)


Notes:

(1) Mr. Ajello joined the Audit and Risk Committee on August 6, 2013.

	Brian Burden		
	<p>Brian Burden currently serves as an Administrator Director, as the Chair of the Audit and Risk Committee and as a director of the Trust. Prior to joining the Board, Mr. Burden was the Chief Financial Officer of TransAlta Corporation, an electricity power generator and wholesale marketing company, from 2005 to 2010. Before joining TransAlta, Mr. Burden was the Chief Financial Officer of Molson from 2002 to 2005, a senior finance executive at Diageo PLC from 1997 to 2002, and a Finance Director of United Distillers in the United Kingdom from 1989 to 1997. Mr. Burden has been a director of the Canadian Soccer Association since June 26, 2012 and joined the Trinidad Drilling Ltd Board in Sept 2013.</p>		
Education	<p>Mr. Burden holds a diploma in Business Studies from Rotherham College, is a member of the Associated Chartered Institute of Management Accountants of the United Kingdom and received an ICD.D Certification from the Institute of Corporate Directors.</p>		
Investment in the Trust and its subsidiaries	Units	RTUs	Membership Units
	2,132	0	0
Governance	Board/Committee Memberships		Attendance at Meetings during 2013
	Board of Directors		6/6 (100%)
	Audit and Risk Committee (Chair)		6/6 (100%)

	Robert Huggard		
	<p>Robert Huggard currently serves as an Administrator Director and is a member of the Audit and Risk Committee and the Governance, Nomination & Compensation Committee. Mr. Huggard is currently the President of Lindaura Consulting. His prior experience includes leading Direct Energy, an energy retailer, as President of Home and Business Services from 2008 to 2009, as President of Canadian Operations from 2005 to 2007 and as Executive Vice President from 2002 to 2005.</p> <p>Mr. Huggard was the Vice President and General Manager of Home and Business Services at Enbridge from 1999 to 2002, the Vice President of Retail Services at Enbridge Gas Distribution from 1997 to 1999 and the Vice President of Marketing at Enbridge Gas Distribution from 1994 to 1997. Mr. Huggard is an independent director of the Board of Guelph Hydro Electric Systems Inc. serving on the FAC and HRCC committees of the Board. Additionally, he was Chairman and director of SCITI TR Limited and the Trustee of SCITI Total Return Trust from May 2006 to May 2011, and was the CEO of the Administrative Agent of The Consumers' Waterheater Income Fund from 2002 to 2006.</p>		
Education	<p>Mr. Huggard holds a B.A. Honours in Economics from Dartmouth College, an M.B.A. from the Schulich School of Business and an ICD.D Certification from the Institute of Corporate Directors.</p>		
Investment in the Trust and its subsidiaries	Units	RTUs	Membership Units
	2,132	0	0
Governance	Board/Committee Memberships		Attendance at Meetings during 2013
	Board of Directors		6/6 (100%)
	Audit and Risk Committee		6/6 (100%)
	Governance, Nomination & Compensation Committee		2/2 (100%)

	David Kerr		
	<p>David Kerr currently serves as an Administrator Director and is a member of the Audit and Risk Committee and the Governance, Nomination & Compensation Committee. Mr. Kerr is the Chief Executive Officer of Thorium Power Canada Inc., a company engaged in nuclear power generation. He currently serves as director of Magellan Fuel Solutions Inc. and as director of OneRoof Energy Inc. Mr. Kerr was a founder and executive of Algonquin Power Income Fund from 1996 to 2010 and served as head of safety and environmental compliance from 1996 to 2010.</p>		
Education	<p>Mr. Kerr holds a B.Sc. Honours from the University of Western Ontario.</p>		
Investment in the Trust and its subsidiaries	Units	RTUs	Membership Units
	2,132	0	0
Governance	Board/Committee Memberships		Attendance at Meetings during 2013
	Board of Directors		6/6 (100%)
	Audit and Risk Committee		6/6 (100%)
	Governance, Nomination & Compensation Committee		2/2 (100%)

	Director		
	Age 72	Residence Toronto, Ontario	Member Since 2011
<p>Daniel Sullivan currently serves as an Administrator Director, as the Chair of the Governance, Nomination & Compensation Committee and as a director of the Trust. Mr. Sullivan is a director of the Ontario Teachers' Pension Plan, Allied Properties Real Estate Investment Trust, IMP Group International Inc., and Choice Property Real Estate Trust. He was appointed by the Right Honourable Stephen Harper, Prime Minister of Canada, as Consul General for Canada in New York from 2006 to 2011. Prior to Mr. Sullivan's appointment as Consul General for Canada, he was Deputy Chairman of Scotia Capital Inc., the corporate and investment banking division of Scotiabank, where he had a successful 38 year career.</p> <p>Mr. Sullivan served as Chair and Director of the Toronto Stock Exchange from 1999 to 2002 and was the former Chairman of the Investment Dealers Association of Canada from 1991 to 1992. He is also a former Director of a number of public companies, including Allstream Inc., Cadillac Fairview Corporation, Camco Inc., Monarch Development Corporation and Schneider Corporation. Mr. Sullivan has served on advisory boards or committees of Canada Post Corporation, Canada Deposit Insurance Corporation, the Canadian Securities Administrators and the Ontario Securities Commission.</p>			
Education	Mr. Sullivan holds a B.A. and an M.B.A. from Columbia University and an M.B.A. from University of Toronto.		
Investment in the Trust and its subsidiaries	Units	RTUs	Membership Units
	2,132	0	0
Governance	Board/Committee Memberships		Attendance at Meetings during 2013
	Board of Directors		6/6 (100%)
	Governance, Nomination & Compensation Committee (Chair)		2/2 (100%)

OTHER BUSINESS

Management is not aware of any business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Units in accordance with their best judgment on such matter.

COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion and Analysis reviews the objectives, policies and principles of the Administrator's executive compensation program, with particular emphasis on the process for determining compensation for the CEO, the Chief Financial Officer ("CFO"), and each of the three most highly compensated executive officers other than the CEO and the CFO, whose total annual compensation exceeds \$150,000 (collectively, the "Named Executive Officers" or "NEOs").

As at the date of this Circular, Michael Fallquist, CEO, Roop Bhullar, CFO, Chatui Parikh, COO, Cami Boehme, Chief Strategy Officer, Barbara Clay, General Counsel, Christian McArthur, Executive Vice President of Procurement, Pricing and Product Engineering, and Meredith Berkich, President of Viridian Energy, are the only executive officers of the Administrator.

GOVERNANCE, NOMINATION & COMPENSATION COMMITTEE

The Governance, Nomination & Compensation Committee (the "GN&C Committee") was established by the Board to, among other things, review, approve and/or make recommendations to the Board for compensation of executive officers and Administrator Directors. The three members of the GN&C Committee are Robert Huggard, David Kerr and Daniel Sullivan. Messrs. Huggard, Kerr and Sullivan are all independent directors. Their biographical summaries are included under the section "Purposes of the Meeting – Election of the directors of the Administrator – Nominees for Election to the Board of Directors". Each of the GN&C Committee members has extensive experience in the area of compensation and executive compensation. Mr. Huggard and Mr. Kerr held senior executive positions in large organizations within the energy sector, and, through those positions, have substantial experience in matters of executive compensation. In addition, Mr. Sullivan has direct experience in matters of executive compensation from his membership on the boards of numerous publicly traded entities. For more information on the GN&C Committee, see "Statement of Corporate Governance – Board Committees".

COMPENSATION PROGRAM – GENERAL

Pursuant to the GN&C Committee charter, the GN&C Committee makes recommendations to the Board with respect to the annual salary, bonus and other benefits of the Chairman and the CEO. The GN&C Committee also oversees the evaluation of the performance of the executive officers other than the CEO and, after considering the recommendations of the CEO, approves the annual compensation of the other executive officers.

The remuneration of the Administrator Directors is set, and periodically reviewed, by the Board on the recommendation of the GN&C Committee. The level of remuneration is designed to provide a competitive level of remuneration relative to directors of comparable entities and corporations. Consultants may be periodically retained to obtain this information and to assess the Board's relative remuneration position.

The compensation of the CEO is determined by the Board as a whole on the recommendation of the GN&C Committee. The level of CEO compensation is determined by considering all factors deemed appropriate, including CEO salaries for public companies of comparable size and complexity. The annual incentive and Unit-based incentive entitlements are determined by the Board, upon recommendation of the GN&C Committee, based on the Trust's overall performance, relative Unitholder returns and other relevant factors.

COMPENSATION OBJECTIVES AND PRINCIPLES

The Board recognizes that the success of the Trust, the Administrator and the Trust's direct and indirect subsidiaries (collectively, the "Crius Group") depends greatly on its ability to attract, retain and motivate superior performing employees at all levels, which can only occur if the Crius Group has an appropriately structured and executed compensation program. The Crius Group's compensation policies are founded on the principle that executive and

employee compensation should be consistent with Unitholders' interests and the Crius Group's compensation plans are therefore intended to encourage decisions and actions that will result in the Crius Group's growth and create long-term Unitholder value. In determining the compensation to be paid to the executive officers, the GN&C Committee considers corporate achievements and comparative market data.

The principal objectives of the Crius Group's executive compensation program are as follows:

- to attract and retain qualified executive officers;
- to have a compensation package that is competitive within the marketplace;
- to align the executives' interests with those of the Unitholders; and
- to reward the demonstration of both leadership and performance.

The GN&C Committee's objective is to ensure the compensation of the NEOs provides a competitive package that reflects the above objectives, as well as provides a link between discretionary short and long-term incentives with short and long-term corporate goals. The compensation package is designed to reward performance based on the achievement of performance goals and objectives and to be competitive with comparable companies in the market in which the Crius Group competes for talent.

COMPENSATION AND RISK

The Trust recognizes that executive compensation must support an appropriate level of risk. The Trust is responsible for ensuring that compensation policies and practices do not encourage undue risk-taking on the part of executives. To this end, practices are in place to mitigate the risks associated with compensation policies and programs.

The GN&C Committee has considered the implications of the risks associated with the Trust's compensation policies and practices and has not identified any risks arising from such policies and practices that are reasonably likely to have a material adverse effect on the Trust. The GN&C Committee believes that any risk is appropriately mitigated by, among other factors: (i) awarding time-vested RTUs that vest after three years and motivate long-term rather than short-term performance; (ii) adopting a balanced number of performance objectives in any given year, thereby limiting the impact any particular activity could have on an individual's overall performance score; and (iii) providing the GN&C Committee and the Board with discretion to award incentive-based compensation to executives. In addition, the GN&C Committee will continue to have oversight in the performance objective-setting process in order to reduce the possibility that performance objectives are adopted in a manner that encourages excessive risk-taking.

ELEMENTS OF COMPENSATION

The NEOs receive compensation consisting of three components: (i) base salary; (ii) annual incentive compensation; and (iii) participation in the Crius Group's long-term compensation plans. All salary increases, cash bonuses and long-term compensation for the NEOs are reviewed by the GN&C Committee and amended as deemed appropriate with the approval of the Board.

Base Salary

The base salary of each NEO is, subject to a minimum amount established under the executive employment agreements described below, determined by the GN&C Committee. Initial base salaries for 2013 were set out in the executive employment agreements with each NEO. The base salary of each NEO reflects the complexity of the NEO's role in addition to the amount of industry experience they possess. Salaries will be reviewed annually and compared to industry peers through publicly available documents and available compensation surveys prepared by compensation consultants. Consideration will be given to the growth plans of the Trust and the objective to attract and retain talented individuals from the industry.

Annual Incentive Compensation

Annual incentive compensation will generally provide for annual cash rewards, which are intended to motivate and reward NEOs for achieving and surpassing annual corporate and individual goals. The amount of the cash award or “bonus” will be determined by reference to a target percentage of base salary. Bonus awards for the NEOs, excluding the CEO, will be recommended by the CEO and reviewed and approved by the GN&C Committee. Bonus awards for the CEO will be recommended by the GN&C Committee and approved by the Board. Peer performance and practices will also be considered each year in determining the final amounts to be awarded.

The Company has formal Short-Term Incentive (“STI”) and Long-Term Incentive (“LTI”) programs for executive employees.

Short-Term Compensation

STIs are cash compensation, payable at the end of each calendar year based on achievement of Company and individual goals. Each individual has a STI target that is calculated as a percentage of base pay and paid by weighing 75% on achievement of Company goals and 25% based on achievement of individual goals. The Company targets are based on an adjusted EBITA and consumer growth in residential customer equivalents, which is a unit of energy consumption per annum, measured at year end.

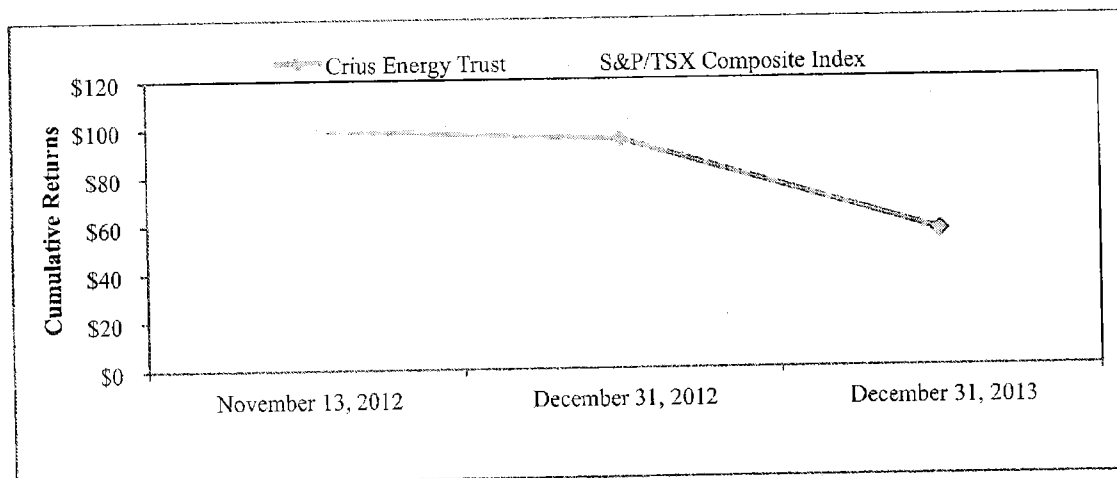
Long-Term Compensation

The long-term compensation program of the Crius Group is comprised of the Restricted Trust Unit Plan (“RTUP”) and the Phantom Unit Rights Plan (“PURP”), which are intended to encourage participants to focus on creating and improving the Crius Group's long-term financial success by providing participants an opportunity to increase their ownership interests in the Trust. LTIs are designed to issue 25% in Restricted Trust Units (“RTUs”) and 75% in Phantom Unit Rights (“PURs”). PURs are based on achievement of a cumulative adjusted EBITA over a three-year period, with adjusted EBITA set annually. The purpose of the long-term compensation plans is to align the interests of Unitholders and Management. The Administrator Directors have determined that the compensation policies of the Trust adequately reward and compensate Management for their services while balancing the appropriate level of short-term and long-term objectives of the Trust. All RTU and PUR grants and allocations from time to time will be made by the Board upon the recommendation of the GN&C Committee. In 2013, 14,924 RTU grants were made to directors of the Administrator.

For additional information regarding the RTUP and the PURP, please see “Unit-Based Compensation Plans”

PERFORMANCE GRAPH

The following line graph compares the yearly change in the value of \$100 invested in the S&P/TSX Composite Index and Units for the period from November 13, 2012 to December 31, 2013.



	Cumulative Total Return		
	November 13, 2012	December 31, 2012	December 31, 2013
Crius Energy Trust	\$100	\$95	\$56
S&P/TSX Composite Index	\$100	\$103	\$112

As noted above, and summarized below, the Trust's compensation policies reward and compensate Management for their services while balancing the appropriate level of short-term and long-term objectives of the Trust intended to motivate and reward NEOs for achieving and surpassing annual corporate goals. Mr. Fallquist will not be receiving any short-term incentive bonus compensation for 2013 (which is paid to eligible NEOs in April of 2014).

SUMMARY COMPENSATION TABLE

The following table provides a summary of all direct compensation paid to the NEOs for services they have provided to the Trust and its subsidiaries for the year ended December 31, 2013. The Trust does not currently have any option-based awards or pensions. Unit-based awards were granted to the NEOs in 2013, but do not vest until 2016.

Name and principal position	Salary ⁽¹⁾ (US\$)	Unit-Based Awards (US\$)	Option- Based Awards (US\$)	Non-Equity Incentive Plan Compensation		Pension Value (US\$)	All Other Compensation (US\$) ⁽²⁾	Total Compensation (US\$)
				Annual Incentive Plans (US\$)	Long- term Incentive Plans (US\$)			
Michael Fallquist ⁽³⁾⁽⁴⁾ Chief Executive Officer	\$490,576.92	\$243,664.23	\$0	\$0	\$0	\$0	\$33,713.27	\$767,954.42
Chaitu Parikh ⁽⁵⁾ Chief Operating Officer	\$425,000.00	\$429,310.18	\$0	\$0	\$0	\$0	\$4,050.00	\$858,360.18
Roop Bhullar Chief Financial Officer	\$262,307.72	\$60,724.17	\$0	\$75,000.00	\$0	\$0	\$9,634.16	\$407,666.05
Jan Fox ⁽⁶⁾ Chief Legal Officer	\$267,115.42	\$60,724.17	\$0	\$78,750.00	\$0	\$0	\$15,459.20	\$422,048.79
Meredith Berkich President, Viridian Energy	\$240,384.74	\$56,228.52	\$0	\$67,500	\$0	\$0	\$20,183.12	\$384,296.38

Notes:

- (1) Each NEO is or was employed by the Company and salaries are paid in US\$.
- (2) The value of other perquisites received by NEOs during the year ending December 31, 2013, including property or other personal benefits provided to NEOs that are not generally available to all employees, are not in the aggregate either \$50,000 or greater or 10% or greater of the respective NEO's total salary for the year ended December 31, 2013.

- (3) Mr. Fallquist does not receive additional compensation for his role as an Administrator Director.
- (4) Mr. Fallquist will not be receiving any short-term incentive bonus compensation for 2013 (which is paid to eligible NEOs in April of 2014).
- (5) Mr. Parikh commenced employment with the Company on August 19, 2013 and accordingly his Salary stated above has been annualized.
- (6) Ms. Fox was with the Company for all periods in 2013, but is currently no longer with the Company.

OPTION-BASED AND UNIT-BASED AWARDS OUTSTANDING

The Trust does not currently have any option-based awards. 119,233 unit-based awards were granted to the NEOs in 2013. The following table sets forth for each NEO all Unit-based awards of the Trust outstanding at the year ended December 31, 2013.

Name	Option-based Awards				Unit-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Units that have not vested (#)	Market or Payout Value of vested Unit-based Awards not paid out or distributed
Michael Fallquist	N/A	N/A	N/A	N/A	33,333	N/A
Chaitu Parikh	N/A	N/A	N/A	N/A	61,594	N/A
Roop Bhullar	N/A	N/A	N/A	N/A	8,307	N/A
Jan Fox	N/A	N/A	N/A	N/A	8,307	N/A
Meredith Berkich	N/A	N/A	N/A	N/A	7,692	N/A

UNIT-BASED COMPENSATION PLANS

RESTRICTED TRUST UNIT PLAN

Under the RTUP, RTUs may be granted by the Board or an appointed committee thereof (the "**RTUP Administrator**") to directors, officers, employees or direct or indirect service providers ("**Participants**") of the Carius Group. The purpose of the RTUP is to advance the interests of the Carius Group by: (a) increasing the proprietary interests of Participants in the Trust; (b) aligning the interests of Participants with the interests of the Unitholders generally; (c) encouraging Participants to remain associated with the Carius Group; and (d) furnishing the Participants with an additional incentive in their efforts on behalf of the Carius Group.

On a date on or before the date which is three years following the end of the service year in respect of which the RTUs were granted (the "**RTU Entitlement Date**"), the holder will receive, subject to applicable withholding taxes, for each RTU held either: (i) the cash equivalent of one Unit; or (ii) at the election of the Trust, one Unit, which may be issued from treasury or purchased by a designated broker on the Toronto Stock Exchange ("**TSX**"). However, no RTU granted under the RTUP that is held by: (i) a citizen or permanent resident of the United States for purposes of the Internal Revenue Code of 1986, as amended (the "**Code**"); or (ii) a Participant for whom the compensation subject to deferral under the RTUP would otherwise be subject to United States federal income tax under the Code, will be redeemed for Units absent registration under, or an exemption from, as determined in the discretion of the Board, the U.S. Securities Act. The determination of the value of the cash equivalent of Units will be determined based upon the volume weighted average trading price of the Units on the TSX for the last five trading days prior to the date of calculation. A Participant's RTU account will be credited with additional RTUs in respect of any distributions declared by the Trust on the Units that would have been paid to the Participant if the RTUs in the Participant's account were outstanding Units during the relevant period.

As outlined in the RTUP, the number of Units reserved for issuance pursuant to the redemption of RTUs granted under the RTUP and pursuant to all other security based compensation arrangements of the Trust shall, in the aggregate, not exceed 10% of the number of Units then issued and outstanding. If any RTUs are redeemed, the

number of Units to which such redeemed RTUs relate shall be available for the purpose of granting additional RTUs under the RTUP. In addition, if any RTUs expire or terminate for any reason without having been redeemed, any unissued Units to which such RTUs relate shall be available for the purposes of granting additional RTUs under the RTUP.

The vesting of RTUs is determined by the RTUP Administrator at the time of grant, provided that no vesting conditions shall extend beyond December 20th of the third calendar year following the Service Year (as defined in the RTUP) in respect of which the RTUs were granted. Unless otherwise provided in the applicable award agreement, all RTUs shall vest: (i) one-third on the first anniversary of the date of grant of such RTUs (the "**Grant Date**"); (ii) an additional one-third on the second anniversary of the Grant Date; and (iii) the final one-third on the third anniversary of the Grant Date, subject to other vesting conditions and blackout extensions. If a redemption date for an RTU occurs during a blackout period of the Trust or within 10 business days of the expiry of a blackout period, then the redemption date will be the tenth business day following the expiry of such blackout period, provided that such date shall be on or prior to the RTU Entitlement Date.

The RTUP Administrator determines the Participants who shall participate under the RTUP and the number of RTUs granted to such Participants, provided that: (a) the aggregate number of Units reserved for issuance under RTUs granted to any one Participant shall not exceed 5% of the issued and outstanding Units at the Grant Date, calculated on a non-diluted basis; (b) the aggregate number of Units that may be reserved for issuance to "insiders" (as such term is referred to in the policies of the TSX), under the RTUP and all other security based compensation arrangements of the Crius Group shall not, in the aggregate, exceed 10% of the issued and outstanding Units at the date of grant, calculated on a non-diluted basis; (c) during any one-year period, the GN&C Committee shall not grant to such insiders, under the RTUP and all other security based compensation arrangements of the Crius Group, in the aggregate, a number of Units exceeding 10% of the issued and outstanding Units, calculated on a non-diluted basis; and (d) the aggregate number of Units issuable on the settlement of Units outstanding at any time held by directors of the Administrator who are not officers or employees of the Crius Group shall be limited to 2% of the issued and outstanding Units. The restrictions referred to in (b) through (d) above are referred to as the "RTUP Insider and Independent Director Participation Restrictions".

The Board may, at any time, amend, suspend or terminate the RTUP, or any portion thereof, or any RTU granted thereunder, without Unitholder approval, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of Unitholders or any governmental or regulatory body. However, except as expressly set forth in the RTUP, no action of the Board or Unitholders shall alter or impair the rights of a Participant under any RTU previously granted to the Participant without the consent of the affected Participant. Without limiting the generality of the foregoing, the Board may make the following types of amendments to the RTUP without seeking Unitholder approval:

- (a) amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the RTUP or to correct or supplement any provision of the RTUP that is inconsistent with any other provision of the RTUP;
- (b) amendments necessary to comply with the provisions of applicable law;
- (c) amendments respecting administration of the RTUP;
- (d) amendments to the vesting provisions of the RTUP or any RTUs;
- (e) amendments to the early termination provisions of the RTUP or any RTUs, whether or not such RTUs are held by an insider, provided such amendment does not entail an extension beyond the original expiry date;
- (f) amendments to the termination provisions of the RTUP or any RTUs, other than RTUs held by an insider in the case of the amendment extending the term of an RTU, provided any such amendment does not entail an extension of the expiry date of such RTU beyond its original expiry date;
- (g) amendments necessary to suspend or terminate the RTUP; and
- (h) any other amendment, whether fundamental or otherwise, not requiring Unitholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Unitholder approval will be required for the following types of amendments:

- (a) amendments to the number of Units issuable under the RTUP, including a change from a fixed maximum percentage to a fixed maximum number of Units;
- (b) amendments to the calculation of the cash equivalent value of an RTU;
- (c) removals or amendments to the RTUP Insider and Independent Director Participation Restrictions; and
- (d) amendments required to be approved by Unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

The Administrator has reviewed the RTUP and, based on this review and its consideration of the remuneration paid to directors, officers, employees and consultants of other publicly traded entities, is satisfied that the RTUP is an appropriate long-term incentive plan for the Trust. The RTUP was approved by the Board. For the year ended December 31, 2013, 169,525 RTUs were granted under the RTUP.

PHANTOM UNIT RIGHTS PLAN

The Company adopted a cash settled PURP for the benefit of directors, officers or employees or direct or indirect service providers of the Company resident in the United States the ("U.S. Participants"). The purpose of the PURP is to provide incentive bonus compensation based on the appreciation in value of the Units and distributions payable in respect of Units, thereby providing additional incentive for continued efforts in promoting the growth and success of the Crius Group and in attracting and retaining management personnel in the United States. The PURP mirrors the material terms of the RTUP with the exception that PURs may only be settled with cash payments by the Company. The PURP allows U.S. Participants to comply with tax and securities laws in the United States applicable to the awards. For the year ended December 31, 2013, no PURs were granted under the PURP.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Trust were authorized for issuance as of December 31, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by Unitholders	N/A	N/A	N/A
Equity compensation plans not approved by Unitholders ⁽²⁾	167,753	N/A	833,739 ⁽¹⁾
Total	167,753	N/A	833,739

Notes:

- (1) This amount relates to the availability for RTUs to be issued pursuant to the RTUP. As at December 31, 2013, an aggregate of 1,001,492 Units were reserved for issuance under the RTUP, being 10% of the number of issued and outstanding Units at such time.
- (2) Pursuant to the TSX and other regulatory requirements, the RTUP, which was described in the final prospectus dated November 12, 2012 for the Trust's initial public offering, will be set before Unitholders for approval every three years, unless the Administrator wishes to amend the plan before such time of approval by Unitholders.

TERMINATION AND CHANGE OF CONTROL BENEFITS

EXECUTIVE CONTRACTS

Each NEO has entered into a standard employment agreement with the Company that varies only in length of term and in the amount of compensation incentives (base salary, short and long term incentives, and in certain cases, reimbursement of expenses, as disclosed herein). The standard employment agreements were entered into to protect both the Crius Group and the NEO in the event of differing termination scenarios. Depending on the termination scenario, the NEO may be entitled to severance benefits. For example, severance benefits are not granted in the case of termination for cause of the NEO or if the NEO terminates the employment agreement without good reason. On the other hand, severance benefits are granted in circumstances where: (i) the NEO is terminated by the Company without cause, (ii) the Company does not renew the NEO's employment agreement, (iii) there is a change in control event, (iv) the disability of the NEO, or (v) the NEO terminates the employment agreement for good reason. The terms "cause", "change of control", and "good reason" are defined in accordance with current industry and market standards. The severance benefits are conditioned on the NEO executing a release agreement in favor of the Company, and are the following: (i) a lump sum amount equal to the NEO's base salary for 12 months and any accrued but unused vacation, (ii) medical benefits for 12 months, and (iii) if terminated in the NEO's initial term, immediate vesting of RTUs, paid in accordance with the Trust's RTU Plan. The Company is protected under the employment agreements as it receives under any termination scenario: (i) a non-compete covenant from the NEO for one year after the termination, (ii) a covenant from the NEO that he or she will not solicit Company employees, agents or customers for one year after the termination, and (iii) a confidentiality covenant from the NEO not to disclose Company proprietary information for two years after the termination.

Assuming a NEO was terminated as of December 31, 2013 and under a scenario that the Company would be liable for a payment, the only payment that would be due by the Company is the annual base salary for a NEO and an amount equal to the outstanding, but unvested, RTUs for each NEO. These amounts are summarized in the following tables above: Summary Compensation and Option-Based and Unit-Based Awards Outstanding.

RESTRICTED TRUST UNIT PLAN

Subject to termination by reason of death or termination other than for cause and subject to the provisions of any applicable employment or RTU award agreement, unless otherwise determined by the RTUP Administrator in its sole discretion, upon the Participant terminating employment with the Crius Group for any reason including, without limitation, due to involuntary termination with cause or voluntary termination by the Participant, all RTUs previously credited to such Participant which did not vest on or prior to the Participant's termination date shall be terminated and forfeited as of the Participant's termination date. Upon termination by reason of death or termination other than for cause, a proportion of a Participant's RTUs will vest, with such proportion being determined based upon the Participant's termination date relative to the date of grant and vesting date. Awards granted under the RTUP are not assignable.

The RTUP also provides that vesting of RTUs will accelerate on a "change of control". A "change of control" of the Trust is defined under the RTUP as follows: (a) the acceptance by the Unitholders, representing in the aggregate more than 50% of all issued and outstanding Units, of any offer, whether by way of a take-over bid or otherwise, for all or any of the Units; (b) the acquisition by whatever means (including, without limitation, by way of an arrangement, merger or amalgamation), by any person (or two or more persons acting jointly or in concert), directly or indirectly, of the beneficial ownership of Units or rights to acquire Units that, together with such person's then owned Units and rights to acquire Units, if any, represent in the aggregate more than 50% of all issued and outstanding Units; (c) the passing of a resolution by the Trustee, the Board or the Unitholders to substantially liquidate the assets or wind-up or significantly rearrange the affairs of the Trust in one or more transactions or series of transactions (including by way of an arrangement, merger or amalgamation) or the commencement of proceedings for such a liquidation, winding-up or re-arrangement; (d) the sale by the Trust of all or substantially all of its assets (other than to an affiliate of the Trust in circumstances where the affairs of the Trust are continued, directly or indirectly, and where unitholdings of the Trust remain substantially the same following the sale as existed prior to the sale); (e) persons who were proposed as nominees (but not including nominees under a Unitholder proposal) to become directors of the Administrator immediately prior to a meeting of the Unitholders involving a contest for, or an item of business relating to the election of directors of the Administrator, not constituting a majority of the directors of the Administrator following such election; or (f) any other event which, in the opinion of the Board, reasonably constitutes a change of control of the Trust; provided that a change of control shall not occur solely as a result of a reorganization of the Crius Group in circumstances where the unitholdings, shareholdings or ultimate ownership remains substantially the same upon completion of the reorganization, including a reorganization, in a transaction or series of related transactions, of the Trust for the purposes of avoiding the actual or potential application of the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") that apply to a SIFT trust (the "**SIFT Rules**") and any related tax or trust, corporate or partnership reorganization or restructuring, including, without limitation, the contemporaneous or, to the extent entered into in connection with such reorganization, restructuring, subsequent termination or winding-up of the Trust.

DIRECTORS' COMPENSATION

As of December 31, 2013, each of the Administrator Directors, other than the Chairman of the Board, the Independent Lead Director, and those Administrator Directors who are also officers of the Administrator, receive an annual base fee of C\$50,000 (C\$30,000 payable in cash; C\$20,000 payable in Unit-based compensation upon terms established by the Board and consistent with market practices) in addition to C\$1,000 per meeting day for attending meetings of the Board or any meeting of a committee of the Board. The Chairman of the Board receives an annual base fee of C\$100,000 (C\$60,000 payable in cash; C\$40,000 payable in Unit-based compensation upon terms established by the Board and consistent with market practices) in addition to C\$1,000 per meeting day for attending meetings of the Board or any meeting of a committee of the Board. The Independent Lead Director receives an annual base fee of C\$65,000 (C\$45,000 payable in cash; C\$20,000 payable in Unit-based compensation upon terms established by the Board and consistent with market practices) in addition to C\$1,000 per meeting day for attending meetings of the Board or any meeting of a committee of the Board. These retainers also cover meetings of the board of directors of any of Crius Energy Holdings Inc., Crius Energy Corporation and the Commercial Trust (collectively, the "**Trust Subsidiaries**") of which they are a director. Administrator Directors who are also directors of the Company receive an additional C\$1,000 per meeting day for attending meetings of the Company. Only one meeting fee per Administrator Director or committee member per day will be paid. The Chair of the Audit and Risk Committee receives additional compensation of C\$10,000 per year and the Chair of the GN&C Committee receives

additional compensation of C\$5,000 per year. The Administrator reimburses Administrator Directors for out-of-pocket expenses for attending meetings for reasonable meeting expenses. Administrator Directors may participate in the RTUP from time to time in accordance with the recommendation of the GN&C Committee.

The following table provides a summary of the compensation earned in respect of the Trust's financial year ended December 31, 2013 by the non-management members of the Board of the Administrator. The Trust does not currently have any non-equity incentive plan compensation, option-based awards or pensions. 14,924 Unit-based awards were granted to the Administrator Directors in 2013.

Name ⁽¹⁾	Fees Earned (US\$) ⁽²⁾	Unit-Based Awards (US\$)	All Other Compensation (US\$) ⁽²⁾	Total (US\$) ⁽²⁾
Robert Gries, Jr.	\$91,331.15	\$27,982.91	\$121,000 ⁽³⁾	\$240,314.06
James A. Ajello	\$66,349.98	\$13,991.45	\$0.00	\$80,341.43
Brian Burden	\$103,487.88	\$13,991.45	\$0.00	\$117,749.33
Robert Huggard	\$87,974.58	\$13,991.45	\$0.00	\$101,966.03
David Kerr	\$106,543.53	\$13,991.45	\$0.00	\$120,534.98
Daniel Sullivan	\$96,671.43	\$13,991.45	\$0.00	\$110,662.88

Notes:

- (1) Mr. Fallquist did not receive compensation in his role as an Administrator Director; the disclosure required for this table for Mr. Fallquist has been provided in the Summary Compensation table above.
- (2) Compensation for Administrator Directors is paid in Canadian dollars. Dollar values in the table were calculated using the closing exchange rate as at December 31, 2013 of C\$1.00 = US\$0.9402.
- (3) Gries Management LLC (an affiliate of Mr. Gries) was paid US\$121,000 by the Company for services performed in 2013 pursuant to a transition services agreement dated September 18, 2012 between Gries Management LLC, the Company, Crius Energy Management, LLC and Public Power (the "Transition Services Agreement"). The Transition Services Agreement provided, among other things, for the orderly succession, transfer, and transition of business operations for Public Power and its direct and indirect subsidiaries. Pursuant to the Transition Services Agreement, Mr. Gries provided services to Public Power and its direct and indirect subsidiaries during a six-month transition period after the completion of the acquisition of Public Power and REH by the Company on September 18, 2012. Services under the Transition Services Agreement include functions related to acquiring and retaining customers, acquiring energy, financial management, information management and human resource management. The Transition Service Agreement has been completed and is not longer in effect.

UNIT-BASED AWARDS OUTSTANDING

Unit-based awards were granted to the Administrator Directors in 2013. The following table sets forth for each Administrator Director all Unit-based awards of the Trust outstanding at the year ended December 31, 2013.

Name	Option-based Awards				Unit-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Units that have not vested (#)	Market or Payout Value of vested Unit-based Awards not paid out or distributed
Robert Gries, Jr.	N/A	N/A	N/A	N/A	N/A	C\$ 29,762.72
James A. Ajello	N/A	N/A	N/A	N/A	N/A	C\$ 14,881.36
Brian Burden	N/A	N/A	N/A	N/A	N/A	C\$ 14,881.36
Robert Huggard	N/A	N/A	N/A	N/A	N/A	C\$ 14,881.36
David Kerr	N/A	N/A	N/A	N/A	N/A	C\$ 14,881.36
Daniel Sullivan	N/A	N/A	N/A	N/A	N/A	C\$ 14,881.36

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Administrator Directors and officers of the Administrator have entered into indemnity agreements with the Administrator, Crius Energy Holdings Inc. ("**Cdn Holdco**"), Crius Energy Corporation ("**US Holdco**") and the Crius Energy Commercial Trust ("**Commercial Trust**") under which such Administrator Directors and officers will be indemnified by such entities in respect of claims that may arise as a result of acting as a director and/or officer of such entities.

The Trust provides insurance for the benefit of the directors and officers of the Administrator against liability incurred by them in their capacities as directors and officers with the Crius Group. The current annual policy limit is C\$15,000,000. The policy contains a deductible of C\$25,000 for each claim which is not indemnified by the Trust or its direct or indirect subsidiaries and no deductible for each claim which is indemnified by the Trust or its direct or indirect subsidiaries.

For the policy year of October 24, 2013 to October 24, 2014, the Trust paid an annual premium of C\$50,000 for this insurance.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no director, executive officer, proposed nominee for election as director, or associate of any such person is now, or has been at any time since the beginning of the most recently completed financial year, indebted to the Administrator, the Trust or any of the Trust's subsidiaries, or had the benefit of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Administrator, the Trust or any of the Trust's subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE

The Administrator Directors consider good corporate governance to be central to the effective and efficient operation of the Trust and its subsidiaries. The Administrator's corporate governance practices are set forth below.

THE BOARD

The Administrator has seven Administrator Directors, five of whom are independent. A director is independent if he or she has no direct or indirect material relationship with the Crius Group. A "material relationship" is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Certain types of relationships are by their nature considered to be material relationships.

Each of Mr. Ajello, Mr. Burden, Mr. Huggard, Mr. Kerr and Mr. Sullivan is an independent director. Mr. Gries, the Chairman of the Board, may not be an independent director because he is the managing member and director of GF

Power I, LLC and GF Factoring, LP, which have a significant ownership interest in the Company. As CEO of the Administrator, Mr. Fallquist is not considered an independent director.

The Administrator will take steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Administrator. Where matters arise at meetings of the Board which require decision making and evaluation that is independent of Management and interested directors, the Administrator Directors will hold an "in-camera" session among the independent and disinterested Administrator Directors, without Management present at such meeting.

The current Chairman of the Board is not independent for the purposes of National Instrument 52-110 – Audit Committees ("NI 52-110"). However, in order to provide leadership for Administrator Directors that are independent, an Administrator Director that is independent will, as required from time to time, chair meetings of independent Administrator Directors and assume other responsibilities. In addition, the Board appointed David Kerr as lead independent director in 2013.

Certain Administrator Directors are also directors of other reporting issuers (or the equivalent):

Director	Other Directorships	Stock Exchange Listing
Daniel Sullivan	Allied Properties Real Estate Investment Trust; Choice Property Real Estate Trust	TSX TSX
Brian Burden	Trinidad Drilling Ltd.	TSX
David Kerr	OneRoof Energy, Inc.	TSXV

CHARTER

The Board is responsible for the overall stewardship of the Crius Group. The Board discharges this responsibility directly and indirectly through the delegation of specific responsibilities to committees of the Board, the Chairman and the officers of the Administrator, as described further in the Board's Charter (the "Charter"). The Charter provides that the fundamental objectives of the Board are to enhance and preserve long-term Unitholder value and to ensure that the members of the Crius Group meet their obligations on an ongoing basis and operate in a safe and reliable manner. A copy of the Charter is attached to this Circular as Appendix "A".

The Board has established two committees to assist with its responsibilities: the Audit and Risk Committee and the GN&C Committee. Each committee has adopted a charter defining its responsibilities, substantially as described herein under the heading "Statement of Corporate Governance – Board Committees". The Board as a whole is responsible for environmental, health and safety matters. Each committee is comprised exclusively of independent directors.

POSITION DESCRIPTIONS

The Board has adopted written position descriptions for the Chairman of the Board, the Lead Director, the Chair of each of the Audit and Risk Committee and GN&C Committee, and the CEO of the Administrator.

The primary responsibilities shared by the Chairman of the Board and the Lead Director include: (i) effectively managing the affairs of the Board; and (ii) working with the CEO of the Administrator to coordinate the affairs of the Board and, together with the CEO, to ensure effective relations with the Administrator Directors, Management, Unitholders, other stakeholders and the public.

The responsibilities of the Chair of each committee include: (i) coordinating the affairs of the committee; and (ii) acting as the main liaison between the committee and the Board with respect to updating and advising the Board of matters within the mandate of the committee.

The primary responsibilities of the CEO of the Administrator include: (i) providing overall leadership and vision in developing, in concert with the Board, the strategic direction of the Crius Group and the tactics and business plans necessary to realize the Crius Group's objectives; and (ii) managing the overall business to ensure strategic and business plans are effectively implemented, the results are monitored and reported to the Board, and financial and operational objectives are attained.

ORIENTATION AND CONTINUING EDUCATION

The orientation and continuing education of the Administrator Directors is the responsibility of the GN&C Committee. The details of the orientation of new Administrator Directors will be tailored to their needs and areas of expertise and will include the delivery of written materials and participation in meetings with Management and Administrator Directors. The focus of the orientation program is on providing new Administrator Directors with: (i) information about the duties and obligations of directors; (ii) information about the Crius Group's strategy, business and operations, including the Trust's indirect investment in the Company; (iii) the expectations of Administrator Directors; (iv) opportunities to meet with Management and any other senior employees or consultants designated for this purpose; and (v) access to documents from recent meetings of the Board.

The Administrator Directors have all been chosen for their specific knowledge, qualifications and expertise. All Administrator Directors are provided with materials relating to their duties, roles and responsibilities. In addition, Administrator Directors are kept informed as to matters impacting, or which may impact, the operations of the Trust's subsidiaries through reports and presentations by internal and external presenters at meetings of the Board and during periodic strategy sessions held by the Board.

ETHICAL BUSINESS CONDUCT

The Board has adopted a written code of business conduct and ethics ("**Code of Conduct**") intended to encourage and promote a culture of ethical business conduct among Administrator Directors, Management, employees and consultants of the Administrator.

A copy of the Code of Conduct can be found on the Trust's website at www.criusenergytrust.ca and on SEDAR under the Trust's issuer profile at www.sedar.com, and, upon request, the Trust will promptly provide a copy of the Code of Conduct to any securityholder of the Trust free of charge.

The Trust has also adopted a whistleblower policy for (i) the receipt, retention and treatment of complaints received by the Crius Group regarding violations of law, unethical conduct, accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Crius Group of concerns regarding unlawful or unethical conduct, questionable accounting or auditing matters. A report contemplated by the whistleblower policy may be submitted via the Crius Group's online or toll free whistleblower hotline, operated by an independent third party.

The Board believes that providing a forum for employees and officers to raise concerns and treating all complaints with the appropriate level of seriousness fosters a culture of ethical business conduct within the Crius Group.

NOMINATION OF ADMINISTRATOR DIRECTORS

The responsibility for proposing new nominees for the Board falls within the mandate of the GN&C Committee. New candidates for nomination to the Board are identified and selected having regard to the strengths and constitution, as well as the needs, of the Board. The GN&C Committee is responsible for determining the size of the Board and its composition, identifying the skills, experience and capability required by the Board to discharge its oversight responsibilities, organizing the process for recruiting new members of the Board and providing orientation to such members, and structuring the membership of committees of the Board.

BOARD COMMITTEES

The Board has appointed two standing committees: the Audit and Risk Committee and the GN&C Committee.

Audit and Risk Committee

The Audit and Risk Committee is comprised of Brian Burden, as Chair, Robert Huggard, James Ajello and David Kerr, all of whom are independent and financially literate within the meaning of NI 52-110. The Audit and Risk Committee has adopted an Audit and Risk Committee Charter, establishing the specific responsibilities of the Audit and Risk Committee. A copy of the Audit and Risk Committee Charter is attached to the AIF of the Trust, which is available under the Trust's issuer profile on SEDAR at www.sedar.com.

The Audit and Risk Committee's primary responsibilities are to: (i) identify and monitor the management of the principal risks that could impact the financial reporting of the Crius Group; (ii) monitor the integrity of the Crius Group's financial reporting process and system of internal controls regarding financial reporting and accounting compliance; (iii) monitor the independence and performance of the Crius Group's external auditors; (iv) deal directly with the external auditors to approve external audit plans, other services (if any) and fees; (v) directly oversee the external audit process and results; (vi) provide an avenue of communication among the external auditors, management and the Board; and (vii) ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual.

Each member of the Audit and Risk Committee is required to possess: (i) an understanding of the accounting principles used by the Crius Group to prepare its consolidated financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Crius Group's consolidated financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting.

Governance, Nomination Compensation Committee

The GN&C Committee is comprised of Daniel Sullivan, as Chair, Robert Huggard and David Kerr, all of whom are independent for the purposes of National Instrument 58-101 — *Disclosure of Corporate Governance Practices of the Canadian Securities Administrators* ("NI 58-101").

The GN&C Committee has adopted a GN&C Committee charter setting out the committee's specific responsibilities, which include: (i) ensuring that the mission and strategic direction of the Crius Group is reviewed annually; (ii) ensuring that the Board and each of its committees carry out their functions in accordance with due process; (iii) assessing the effectiveness of the Board as a whole, each committee of the Board, and the contribution of each Administrator Director; (iv) addressing governance issues; (v) developing the Crius Group's human resources and compensation policies and processes; (vi) identifying, recruiting, endorsing, recommending the appointment of, and orienting new directors of the Administrator; and (vii) reviewing and making compensation related recommendations and determinations regarding senior executives and directors and the Company's human resources and compensation policies and processes. A copy of the GN&C Committee's charter is attached to this Circular as Appendix "B".

ASSESSMENT OF DIRECTORS, THE BOARD AND BOARD COMMITTEES

The members of the Board will collectively assess the performance of the Board as a whole, the committees of the Board and all Administrator Directors. Such assessment will occur annually with an emphasis on the overall effectiveness and contributions made by the Board as a whole, the committees of the Board and all Administrator Directors individually.

MEETING ATTENDANCE RECORD

The following tables set out the attendance record for each Administrator Director for all meetings of the Board, GN&C Committee and Audit and Risk Committee after the IPO.

Board Meeting Attendance

Name of Director	Meeting Attendance in 2013 ⁽¹⁾
Robert Gries, Jr.	4/6
James A. Ajello	6/6
Brian Burden	6/6
Michael Fallquist	6/6
Robert Huggard	6/6
David Kerr	6/6
Daniel Sullivan	6/6

Notes:

(1) This does not include *ad hoc* teleconferences with some business completed by consent resolution.

GN&C Committee Meeting Attendance

Name of Director	Meeting Attendance in 2013
Robert Huggard	2/2
David Kerr	2/2
Daniel Sullivan	2/2

Audit and Risk Committee Meeting Attendance

Name of Director	Meeting Attendance in 2013
James A. Ajello ⁽¹⁾	2/2
Brian Burden	6/6
Robert Huggard	6/6
David Kerr	6/6

Notes:

(2) Mr. Ajello joined the Audit and Risk Committee on August 6, 2013.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described below or elsewhere in this Circular, to the knowledge of the directors and executive officers of the Administrator, none of the directors or executive officers of the Administrator, or any person or company that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Units, or any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Trust's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Trust or any of its subsidiaries.

The Company entered into an arm's length Transition Services Agreement for professional services with Gries Management, LLC, which indirectly owns Membership Units in the Company, during the year for an initial period of six months, with the option to extend the agreement for an additional six months. For the year ended December 31, 2013 and the period from inception on September 7, 2012 to December 31, 2012, included in general and administrative expenses in the amount of \$0.12 million and \$0.8 million respectively, related to this Transition Services Agreement. The Company did not extend the Transition Services Agreement subsequent to the initial 6 month term.

The Company is a party to an agreement with Macquarie Energy LLC ("Macquarie Energy") for the exclusive supply of the Company's wholesale energy needs and hedging requirements for a term ending in December 2019. Macquarie Energy is related to Macquarie Americas Corporation which holds a membership interest in the Company. On February 10, 2014, the Company announced that it had expanded its working capital facility with Macquarie Energy. As consideration for the expansion of the working capital facility, Macquarie Energy was issued 750,000 warrants (the "Warrants") to purchase Units at a price of C\$6.23 per Unit and a term of five years, with the Warrants being exercisable over a four-year schedule.

REGULATORY MATTERS AND BANKRUPTCIES AND INSOLVENCIES

CEASE TRADE ORDERS

To the knowledge of the Administrator, except as described below, none of the above nominees (or any personal holding company of any of such persons) is, as of the date of this Circular, or was within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Administrator), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the nominee 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 officer or chief financial officer.

BANKRUPTCIES

To the knowledge of the Administrator, none of the above nominees (or any personal holding company of any of such persons) (a) is, as of the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Administrator) 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 the nominee; or (b) has, within the ten years before the date of this Circular, 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 nominee.

PENALTIES OR SANCTIONS

To the knowledge of the Administrator, none of the above nominees has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

FINANCIAL INSTRUMENTS

The Trust does not currently have a policy that restricts executive officers and Administrator Directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities. To the Trust's knowledge, none of the NEOs or Administrator Directors has purchased such financial instruments.

ADDITIONAL INFORMATION

Financial information relating to the Trust is provided in the Trust's audited consolidated financial statements and management's discussion and analysis of financial and operating results as at and for the year ended December 31, 2013 (the "Annual Financial Statements and MD&A").

Copies of this Circular, the Annual Financial Statements and MD&A, any interim financial statements of the Trust subsequent to the Annual Financial Statements, the AIF and the Trust's Code of Conduct are available on SEDAR under the Trust's issuer profile at www.sedar.com and, upon request from any securityholder of the Trust, the Trust will promptly provide a copy of the requested materials free of charge.

Additional information relating to the Trust may also be found on SEDAR under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.criusenergytrust.com.

DIRECTORS' APPROVAL

The contents of this Circular and the sending thereof to the Unitholders have been approved by the Board.

BY ORDER OF THE BOARD,

(Signed) Michael Fallquist

Michael Fallquist
Chief Executive Officer and Director

April 9, 2014

APPENDIX "A"

CRIUS ENERGY ADMINISTRATOR INC. BOARD CHARTER

To each of the directors of Crius Energy Administrator Inc. (the "**Administrator**").

1. GENERAL

The Administrator is the administrator of Crius Energy Trust (the "**Trust**") and as such, the board of directors of the Administrator (the "**Board**") is responsible for the stewardship of the affairs of the Trust and the Trust's direct and indirect subsidiary entities (collectively, with the Administrator and the Trust, the "**Crius Group**"), for the benefit of the unitholders of the Trust (the "**Unitholders**"). The fundamental responsibility of the Board is to supervise the management of the business and affairs of the Crius Group.

The Board has adopted this Charter, which reflects the Crius Group's commitment to high standards of corporate governance, to assist the Board in supervising the management of the business and affairs of the Crius Group.

The Board believes that sound corporate governance practices are essential to the well-being of the Crius Group and the promotion and protection of its unitholders' interests. The Board oversees the functioning of the Crius Group's governance system, in part through the work of the Governance, Nomination & Compensation Committee.

The Board promotes fair reporting, including financial reporting, to unitholders of the Trust and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board believes that the Crius Group is best served by a board of directors that functions independently of management and is informed and engaged.

The Governance, Nomination & Compensation Committee will review this mandate annually, or more often if warranted, and recommend to the Board such changes as it deems necessary and appropriate in light of the Crius Group's needs and legal and regulatory developments.

2. COMPOSITION AND OPERATION OF THE BOARD

The Board will consist of a minimum of three (3) members up to the stipulated maximum number of members as prescribed in the Administrator's articles. A majority of the members of the Board shall be residents of Canada. In addition, a majority of the members of the Board shall be "independent" as contemplated in National Instrument 58-101 — *Disclosure of Corporate Governance Practices*. An independent director is a director of the Administrator who is independent of management of the Crius Group and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director's ability to act with a view to the best interests of the Trust, other than interests and relationships arising from securityholdings. In determining whether a director of the Administrator is independent of management of the Crius Group, the Board shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its chairman, nominating candidates for election to the board, constituting committees of the full Board and determining compensation for the directors. Subject to the articles and by-Laws of the Administrator and the *Business Corporations Act* (Ontario) ("**OBCA**"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

3. RESPONSIBILITIES

The Board's fundamental objectives are to enhance and preserve long-term unitholder value, to ensure the Crius Group meets its obligations on an ongoing basis and that the Crius Group operates in a reliable and safe manner. In

performing its functions, the Board should also consider the legitimate interests that its other stakeholders such as employees, customers and communities may have in the Crius Group. In broad terms, the stewardship of the Crius Group involves the Board in strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning and internal control integrity.

4. DUTIES

The Board's specific duties, obligations and responsibilities fall into the following categories.

4.1 Legal Requirements

- A. The Board has the oversight responsibility for meeting the Crius Group's legal requirements and for properly preparing, approving and maintaining the Crius Group's documents and records.
- B. The Board has the statutory responsibility to:
 - i. manage the business and affairs of the Trust;
 - ii. act honestly and in good faith with a view to the best interests of the Trust;
 - iii. exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
 - iv. act in accordance with its obligations contained in the OBCA and the regulations thereto, the trust indenture of the Trust, the articles and by-laws of the Administrator, securities laws and regulations, and other relevant legislation and regulations.
- C. The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
 - i. any submission to the Unitholders of a question or matter requiring the approval of the Unitholders;
 - ii. the filling of a vacancy among the directors;
 - iii. the issuance of securities;
 - iv. the declaration of distributions;
 - v. the purchase, redemption or any other form of acquisition of units issued by the Trust;
 - vi. the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase units of the Trust from the Trust or from any other person, or procuring or agreeing to procure purchasers for any such units;
 - vii. the approval of management proxy circulars; and
 - viii. the approval of any take-over bid circular or directors' circular.

4.2 Independence

The Board shall have the responsibility to:

- A. implement appropriate structures and procedures to permit the Board to function independently of management;

- B. implement a system which enables an individual director to engage an outside advisor at the reasonable expense of the Administrator in appropriate circumstances; and
- C. provide an orientation and education program for newly appointed members of the Board.

4.3 Strategy Determination

The Board shall:

- A. adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business; and
- B. annually review operating and financial performance results relative to established strategy, budgets and objectives.

4.4 Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Crius Group is engaged, to achieve a proper balance between risks incurred and the potential return to Unitholders, and to confirm that systems are in place to effectively monitor and manage those risks with a view to the long-term viability of the Crius Group.

4.5 Appointment, Training and Monitoring of Senior Management

The Board shall:

- A. appoint the Chief Executive officer ("CEO") and such other senior officers as it determines to be appropriate;
- B. approve (upon recommendations from the Governance, Nomination & Compensation Committee) the compensation of the CEO and other senior officers;
- C. monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing Unitholder value;
- D. ensure that a process is established that adequately provides for succession planning, including the appointment, training and monitoring of the CEO and other senior officers; and
- E. establish limits of authority delegated to management of the Crius Group.

4.6 Reporting and Communication

The Board has the responsibility to:

- A. verify that the Crius Group has in place policies and programs to enable the Trust to communicate effectively with its Unitholders, other stakeholders and the public generally;
- B. verify that the financial performance of the Trust is reported to Unitholders, other security holders and regulators on a timely and regular basis;
- C. verify that the financial results are reported fairly and in accordance with generally accepted accounting standards (including International Financial Reporting Standards as applicable);
- D. verify the timely reporting of any other developments that have a significant and material impact on the value of the Trust; and

- E. report annually to Unitholders on its stewardship of the affairs of the Crius Group for the preceding year.

4.7 Monitoring and Acting

The Board has the responsibility to:

- A. review and approve the Trust's financial statements and oversee the Crius Group's compliance with applicable audit, accounting and reporting requirements;
- B. verify that the Crius Group operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- C. approve and monitor compliance with significant policies and procedures by which the Crius Group is operated;
- D. recommend to Unitholders the appointment of the Trust's external auditor, pursuant to the recommendation of the Audit & Risk Committee, and set the external auditor's compensation.
- E. monitor the Crius Group's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- F. take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and
- G. verify that the Crius Group has implemented adequate internal controls and information systems which ensure the effective discharge of its responsibilities.

4.8 Other Activities

The Board may exercise or delegate any other powers consistent with this mandate, the trust indenture of the Trust, the Administrator's articles and by-laws, the OBCA and any other governing laws, as the Board deems necessary or appropriate. The powers of the Board may be exercised by a resolution passed at a meeting of the Board at which a quorum is present or by a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting. If there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office. The Board may perform any other activities consistent with this mandate, the trust indenture of the Trust, the by-laws of the Administrator, the OBCA and any other governing laws as the Board determines necessary or appropriate.

APPENDIX "B"

CRIUS ENERGY ADMINISTRATOR INC. GOVERNANCE, NOMINATION & COMPENSATION COMMITTEE CHARTER

1. GENERAL

Crius Energy Administrator Inc. (the "**Administrator**") is the administrator of Crius Energy Trust (the "**Trust**") and as such, the board of directors of the Administrator (the "**Board**") is responsible for the stewardship of the affairs of the Trust and the Trust's direct and indirect subsidiary entities (collectively, with the Administrator and the Trust, the "**Crius Group**"), for the benefit of the unitholders of the Trust (the "**Unitholders**"). The Board has established the Governance, Nomination & Compensation Committee (the "**Committee**") to develop and monitor the approach of the Crius Group to matters of corporate governance; to identify and recommend individuals for nomination as members of the Board and its committees; and to review, approve and make recommendations to the Board in all matters pertaining to the compensation of executive officers of the Corporation and the Board, all in accordance with the mandate and terms and conditions set forth in this Charter. The Committee will also fulfill any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

The Committee is responsible for: (i) ensuring that the mission and strategic direction of the Crius Group is reviewed annually; (ii) ensuring that the Board and each of its committees carry out its functions in accordance with due process; (iii) assessing the effectiveness of the Board as a whole, each committee of the Board, and the contribution of each individual director of the Administrator; (iv) addressing governance issues; (v) the Crius Group's human resources and compensation policies and processes; (vi) identifying, recruiting, endorsing, recommending the appointment of, and orienting new directors of the Administrator; and (vii) reviewing and making compensation related recommendations and determinations regarding senior executives and directors; and (viii) the Company's human resources and compensation policies and processes.

The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board, including administrative support. If determined necessary by the Committee, it will have the discretion to investigate and conduct reviews of any governance or human resource or compensation matter including the standing authority to retain experts and special counsel, with approval of the Board.

2. COMPOSITION OF THE COMMITTEE

- A. The Committee shall consist of a minimum of three directors of the Administrator. The Board shall appoint the members of the Committee. The Board shall appoint one member of the Committee to be the chair of the Committee (the "**Chair**"). A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.
- B. Each director of the Administrator appointed to the Committee by the Board shall be "independent" as contemplated in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. An independent director is a director of the Administrator who is independent of management of the Crius Group and is free from any interest, any business or other relationship which could, or could reasonably be perceived, to materially interfere with the director's ability to act with a view to the best interests of the Trust, other than interests and relationships arising from securityholdings. In determining whether a director of the Administrator is independent of management of the Crius Group, the Board shall make reference to the then current legislation, rules, policies, instruments of applicable regulatory authorities and research papers and commentary concerning best practices in corporate governance.

3. MEETINGS OF THE COMMITTEE

- A. The Committee shall convene at such dates, times and places as may be designated or approved by the Chair whenever a meeting is requested by the Board, a member of the Committee, the Chief Executive Officer (the "CEO") or a senior executive of the Administrator. The Committee shall convene a minimum of four times per year.
- B. Notice of each meeting shall be given to each member of the Committee, the CEO and all other persons the Committee determines should be provided with notice of the meeting who shall attend whenever requested to do so by a member of the Committee.
- C. Notice of a meeting of the Committee shall:
 - i. be in writing;
 - ii. state the nature of the business to be transacted at the meeting in reasonable detail;
 - iii. to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
 - iv. be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- D. A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of its members. However, it shall be the practice of the Committee to require review, and, if necessary, approval of certain important matters by all members of the Committee.
- E. Any member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at the meeting.
- F. In the absence of the Chair, the members of the Committee shall choose one of the members present to be chair of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- G. Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting.
- H. Minutes of Committee meetings will be sent to all Board members and relevant executive and management staff. Reports on the conduct of the meetings will be made to the Board.

4. COMMITTEE RESPONSIBILITIES

The Committee's primary responsibilities are to assist the Board with the following:

- A. the selection retention, adequacy and form of the compensation of senior management of the Crius Group (the "Senior Management Group");
- B. professional development for the Senior Management Group;
- C. the Crius Group's overall approach to governance;
- D. the size, composition and structure of the Board and its committees;

- E. orientation and continuing education for directors of the Administrator;
- F. related party transactions and other matters involving conflicts of interest;
- G. the Administrator's code of business conduct and ethics, including monitoring compliance with the Administrator's code of business conduct and ethics;
- H. the Trust's written Whistleblower Policy, Disclosure Policy and Confidentiality and Insider Trading Policy (these documents are collectively referred to as the "**Policies**");
- I. the Crius Group's human resources and compensation policies and processes;
- J. reviewing directors and officers of the Administrator's third party liability insurance proposals and coverage; and
- K. any additional matters delegated to the Committee by the Board.

5. DUTIES

The Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law, including National Instrument 58-201 – *Corporate Governance Guidelines*, or delegated to the Committee from time to time by the Board.

5.1 Senior Management Group Selection, Retention and Succession Planning

The Committee will review the Crius Group's organizational structure, consider policies and principles for the selection and retention of the Senior Management Group and succession planning for the Senior Management Group. The Committee will consider compensation policies and principles as they relate to the selection of the Senior Management Group.

5.2 Employment Agreements and Severance Arrangements

The Committee will approve employment agreements, severance arrangements and any changes to contractual agreements and provisions, including benefit payments and change of control payments, for all members of the Senior Management Group.

5.3 Senior Management Group Development

The Committee will review and monitor executive development programs, including training and retention programs for members of the Senior Management Group and the practices used to evaluate members of the Senior Management Group.

5.4 Board Size, Composition and Structure

The Committee will examine the size of the Board from time to time and recommend to the Board a size that facilitates effective decision making. In addition, and taking into consideration the recommended size of the Board, the Committee will recommend the number of Board positions to be filled by independent directors of the Administrator, which in most instances will be a majority of the members of the Board.

The Committee will review the overall composition of the Board, taking into consideration such factors as business experience and specific areas of expertise and competency of each director of the Administrator, and make recommendations to the Board as it determines appropriate.

The Committee will evaluate from time to time whether the necessary and appropriate committees exist to support the work of the Board and will make recommendations to the Board, as necessary and appropriate for the

reorganization of responsibilities among committees, the creation of additional committees or subcommittees, or the elimination of committees as it determines appropriate.

5.5 Evaluation of the Chief Executive Officer

The Committee will have direct responsibility for:

- A. developing a position description for the CEO, setting out the CEO's authority and responsibilities, and present the same to the board;
- B. reviewing and approving the goals and objectives that are relevant to the CEO's compensation;
- C. evaluating the CEO's performance in meeting his or her goals and objectives in connection with the achievement of the company's business plan;
- D. making specific recommendations to the board with respect to the CEO's compensation based on the evaluation referred to above, compensation paid to chief executive officers and senior management in comparable organizations and the company's performance and relative shareholder return;
- E. recommending to the board remedial action where necessary; and
- F. reviewing any executive compensation disclosure prior to it being publically disclosed by the company.

5.6 Director Qualifications

The Committee will make recommendations to the Board with respect to the preferred experience and qualifications for new directors of the Administrator to be elected by Unitholders of the Trust which will reflect, among other things:

- A. competencies, skills and personal qualities that the Board considers to be necessary for the Board, as a whole to possess;
- B. competencies and skills that the Board considers each existing director of the Administrator to possess;
- C. competencies, skills and personal qualities that each new director of the Administrator would bring to the Board; and
- D. responsibilities that would materially interfere with or be incompatible with Board membership.

5.7 Board Succession

The Committee will develop and recommend to the Board a succession plan for the Board that is responsive to the Crius Group's needs and the interests of the Trust's Unitholders.

5.8 Candidates for Board Membership

The Committee will recommend to the Board a list of candidates for nomination for election to the Board at each annual meeting of the Trust's Unitholders. In addition, as the need arises, it will identify and recommend to the Board new candidates for Board membership. In making its recommendations to the Board, the Committee will provide its assessment of whether each candidate is or would be (i) "independent" and (ii) "financially literate" within the meaning of applicable law.

5.9 Appointments to Board Committees

The Committee will recommend to the Board those directors of the Administrator it considers qualified for appointment to each committee of the Board. If a vacancy occurs at any time in the membership of any Board committee, the Committee will recommend a director to fill such vacancy to the Board.

5.10 Performance Assessments

The Committee will annually review the effectiveness of the Board in fulfilling its responsibilities and duties as set out in the mandate of the Board. It will annually review the performance of the Board with consideration being given to skills and expertise, group dynamics, core competencies, personal characteristics, accomplishment of specific responsibilities, meeting attendance, participation and candour. The assessment will be conducted by way of an effectiveness survey consisting of questions ranking performance against responsibilities and open-ended questions. The Committee will establish minimum attendance standards for directors and will ensure that the Administrator's public disclosure reflects each director's attendance record, the frequency of Board and Committee meetings and the Board performance assessment process.

5.11 Compensation of Directors

The Committee will periodically review the adequacy and form of directors' compensation and recommend to the Board a compensation model that appropriately compensates directors for the responsibilities and risks involved in being a director or a member of one or more committees, as applicable. In discharging this duty, the Committee will be guided by four goals: (i) compensation should fairly pay directors for work required in an issuer of the Company's size and scope; (ii) compensation should not exceed what is customary given the size and scope of the Company's business and operations; (iii) compensation should align directors' interests with the long-term interests of shareholders; and (iv) the structure of the compensation should be simple, transparent and easy for shareholders to understand.

5.12 Approach to Governance

The Committee will review the Crius Group's overall approach to governance and make recommendations to the Board in this regard. Among other things, the Committee will:

- E. periodically review and assess the mandate adopted by the Board and recommend any amendments to the Board;
- F. periodically review the charter of each committee of the Board and recommend any amendments to the Board;
- G. periodically review and assess the Company's code of business conduct and ethics and recommend any amendments to the Board;
- H. periodically review the position descriptions for the Chairman of the Board, the Chair of the Audit & Risk Committee, the Chair of the Governance, Nomination & Compensation Committee Charter and the Chief Executive Officer and recommend any amendments to the Board;
- I. periodically review and assess the Crius Group's Policies and recommend any amendments to the Board;
- J. review and recommend the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- K. monitor relationships between the Senior Management Group and the Board, and recommend procedures to allow directors to have access to, and an effective relationship with, senior management;

- L. be available as a forum for addressing the concerns of individual directors;
- M. work with the CEO and other members of the Senior Management Group to foster a healthy governance culture within the Crius Group;
- N. monitor the compliance by the Crius Group with other statutory and regulatory requirements applicable to the Crius Group; and
- O. monitor developments in the area of governance and recommend initiatives that will help the Crius Group maintain high standards of governance.

5.13 Orientation and Continuing Education

The Committee will ensure that new directors receive orientation materials describing the Company's business and its corporate governance policies and procedures. New directors will have meetings with the Chairman of the Board, the CEO and the chief financial officer and are expected to visit the Company's principal offices. The Committee is responsible for confirming that procedures are in place and resources are made available to provide directors with appropriate continuing education opportunities.

5.14 Policies

The Committee will:

- P. develop, review and assess the Policies to confirm that they address, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Crius Group's assets, compliance with applicable laws, rules and regulations (including insider trading laws) and the reporting of illegal or unethical behaviour, and establish mechanisms to facilitate the effective operation of the Policies and the granting of waivers under any of the Policies;
- Q. if appropriate, approve any waivers of the Policies sought by directors of the Administrator or members of the Senior Management Group; and
- R. ensure that any waivers of the Policies for directors or members of the Senior Management Group are promptly disclosed to the Board and, if appropriate, to Unitholders.

5.15 Human Resources Policies

The Committee will review the Crius Group's key human resources policies and overall compensation program for employees and make recommendations to the Board regarding the same.

5.16 Reporting

The Committee will regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities, including any matters relating to the Policies and its review of any potential conflicts of interest.

6. CHAIR OF THE COMMITTEE

The Board will appoint one member who is qualified for such purpose to be Chair, to serve until the next annual election of directors of the Administrator or otherwise until his or her successor is duly appointed. If, following the election of directors of the Administrator, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

7. REMOVAL AND VACANCIES

Any member of the Committee may be removed and replaced at any time by the Board. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board on the recommendation of the Committee. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

8. ASSESSMENT

At least annually, the Committee will assess its effectiveness in fulfilling its responsibilities and duties as set out in this mandate and in a manner consistent with the Board mandate to be adopted by the Board.

9. REVIEW AND DISCLOSURE

The Committee will review this mandate at least annually and submit it to the Board for approval with such proposed amendments as it deems necessary and appropriate.

10. ACCESS TO OUTSIDE ADVISORS

The Committee may retain any outside advisor, including an executive search firm, at the reasonable expense of the Administrator at any time and has the authority to determine any such advisor's fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information relating to the Administrator and its subsidiaries which it deems relevant to the performance of its duties.

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