



**PACIFIC & WESTERN CREDIT CORP.
MANAGEMENT PROXY CIRCULAR**

Dated May 5, 2008

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**PACIFIC & WESTERN CREDIT CORP.
MANAGEMENT PROXY CIRCULAR
FOR THE MEETING OF SERIES C PROMISSORY NOTEHOLDERS
to be held on Thursday, June 12, 2008**

SOLICITATION OF PROXIES BY MANAGEMENT

This Circular is furnished to noteholders of Pacific & Western Credit Corp. (the "Corporation") in connection with the solicitation of proxies by or on behalf of the management of the Corporation for use at the meeting of the Series C Promissory noteholders (the "Noteholders") of the Corporation (the "Meeting"). The information contained herein is current as of May 5, 2008, unless otherwise indicated. The Meeting will be held at the Radisson Hotel, Florence Room, 405 Twentieth Street East, Saskatoon, Saskatchewan, S7K 6X6, on Thursday, June 12, 2008 at 10:00 a.m. (CST) for the purposes set forth in the accompanying Notice of Meeting (the "Notice"). It is expected that the solicitation of proxies will be primarily by mail. Proxies may also be solicited personally or by telephone by officers and directors and other representatives of the Corporation, as the case may be. The cost of solicitation by or on behalf of management will be borne by the Corporation.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A NOTEHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A NOTEHOLDER, AS HIS OR HER NOMINEE TO ATTEND AND ACT FOR HIM OR HER AND ON HIS OR HER BEHALF AT THE MEETING, OTHER THAN THE PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY.** This right may be exercised by inserting such person's name in the blank space provided in the form of proxy. Proxies are to be returned to Computershare Trust Company of Canada in accordance with the instructions provided on the form of Proxy.

Registered Noteholders who plan to attend the Meeting and wish to vote their Series C Promissory Notes (the "Notes") in person at the Meeting should not complete or return the form of proxy. Their votes will be taken and counted at the Meeting. Such Noteholders are to register with the trustee, Computershare Trust Company of Canada, upon their arrival at the Meeting.

ADVICE TO NON-REGISTERED HOLDERS

The information in this section is of significant importance to a substantial number of Noteholders who do not hold their Notes in their own name, but who hold their Notes through an intermediary (a bank, trust company, securities broker, trustee or other). Noteholders that do not hold their Notes in their own name are referred to in this document as **Non-Registered Holders.**

Non-Registered Holders should note that only proxies deposited by Noteholders whose names appear on the records of the Corporation as the registered holders of Notes can be recognized and acted upon at the Meeting. If Notes are listed in an account statement provided to a Noteholder by a broker, then in almost all cases those Notes will not be registered in such Noteholder's name on the records of the Corporation. Such Notes will likely be registered in the name of the Noteholder's broker or an agent of that broker (intermediaries). Notes held by intermediaries can only be voted for or against resolutions upon the instructions of the Non-Registered Holder. Without specific instructions, intermediaries are prohibited from voting Notes for their clients. The directors and officers of the Corporation may not know for whose benefit the Notes registered in the name of intermediaries are held.

Intermediaries are required to seek instructions from Non-Registered Holders in advance of noteholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which Non-Registered Holders should follow closely in order to ensure that their Notes are voted at the meeting. A Non-Registered Holder may have received from the intermediary either a request for voting instructions or a form of proxy that is identical to the form of proxy provided to registered Noteholders; however, the purpose of the proxy is limited to instructing the intermediary how to vote on behalf of the Non-Registered Holder. **A NON-REGISTERED HOLDER THAT RECEIVES A PROXY FROM AN INTERMEDIARY CANNOT USE THAT PROXY TO VOTE NOTES DIRECTLY AT THE MEETING. The proxy must be returned to the intermediary well in advance of the Meeting in order to have the Notes voted.**

A Non-Registered Holder who wishes to vote in person at the Meeting or have its nominee vote in person at the Meeting must provide the intermediary with the appropriate documentation in order to be appointed as proxyholder. A Non-Registered Holder should contact the intermediary to determine which documentation the intermediary requires in order for it or its nominee to be appointed proxyholder. ONLY AFTER THE INTERMEDIARY APPOINTS THE NON-REGISTERED HOLDER OR ITS NOMINEE AS A PROXYHOLDER CAN THAT NON-REGISTERED HOLDER OR ITS NOMINEE VOTE NOTES DIRECTLY AT THE MEETING.

REVOCAION OF PROXIES

A proxy is only valid at the Meeting in respect of which it is given or any adjournment thereof. A Noteholder may revoke a proxy:

- (a) by an instrument in writing executed by the Noteholder or by an attorney in writing or, if the Noteholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited:
 - (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof; or
 - (ii) with the chair of the Meeting on June 12, 2008 or any adjournment of the Meeting; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION WITH RESPECT TO PROXIES

The Notes represented by proxies will be voted or withheld from voting by the persons designated in the proxies in accordance with the direction of the Noteholders appointing them. In the event that no specifications are made in the proxies, the Notes represented by the proxies will be voted by the proxy nominees designated by management FOR the matters referred to in the Notice.

The enclosed form of proxy confers a discretionary authority upon the named persons with respect to amendments and variations to matters identified in the Notice, and with respect to other matters that may properly come before the Meeting. At the time of the preparation of this Management Proxy Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. If, however, amendments, variations or other matters which are not now known to management of the Corporation should properly come before the Meeting, the Notes represented by proxies will be voted by the persons named in the form of proxy in accordance with their best judgement.

VOTING SECURITIES

The aggregate principal amount of Notes outstanding is \$22,684,000. Each Noteholder present in person or represented by a proxy shall be entitled to one vote in respect of each \$1,000 principal amount of Notes held by the Noteholder.

The directors have fixed May 12, 2008 as the record date for determining Noteholders entitled to receive notice of the Meeting. A person shown as a Noteholder of record on May 12, 2008 shall be entitled to vote the Notes of the Corporation registered in his or her name on that date, except to the extent that the person has transferred the ownership of any of his or her Notes after May 12, 2008 and the transferee of those Notes produces properly endorsed Note certificates or otherwise establishes that he or she owns such Notes and demands, not later than 10 days before the Meeting, that his or her name be included in the list of Noteholders entitled to receive notice of the Meeting, in which event the transferee shall be entitled to vote such Notes at the Meeting.

BUSINESS TO BE TRANSACTED AT THE MEETING

The Noteholders are asked to consider an extraordinary resolution to:

- (a) extend the maturity date of the Notes for ten (10) years from October 16, 2008 to October 16, 2018; and
- (b) increase the aggregate principal amount of Notes that may be offered by the Corporation from a maximum of Twenty-Two Million Six Hundred Eighty-Nine Thousand Dollars (\$22,689,000) to One Hundred Million Dollars (\$100,000,000).

The Notes will continue to pay interest semi-annually at a rate of 9% per annum, and will continue to be non-redeemable and non-convertible.

The full text of the extraordinary resolution is as follows:

"BE IT RESOLVED THAT:

- (a) The maturity date for the Corporation's Series C Promissory Notes (the "Notes") be and is hereby extended for 10 years from October 16, 2008 to October 16, 2018.
- (b) The aggregate principal amount of the Notes that may be issued by the Corporation shall be increased from a maximum of Twenty-Two Million Six Hundred and Eighty-Nine Thousand Dollars (\$22,689,000) to One Hundred Million Dollars (\$100,000,000).
- (c) The Corporation be and is hereby authorized and directed to enter into a supplemental indenture with Computershare Trust Company of Canada (the "Trustee") to amend the terms of the Trust Indenture between the Corporation and Montreal Trust Company of Canada (predecessor to the Trustee) dated October 13, 1998 (the "Trust Indenture") to effect the above resolutions.
- (d) any officer of the Corporation is hereby authorized, in the name and on behalf of the Corporation, under its corporate seal or otherwise, to make such further amendments to the Trust Indenture as may be required to give effect to the intent of the above resolutions, and any such amendments, shall be deemed to be authorized by these resolutions.
- (e) any officer of the Corporation is hereby authorized, in the name and on behalf of the Corporation, under its corporate seal or otherwise, to execute and deliver all such other applications, certificates, documents, deeds, agreements and instruments (in addition to those mentioned in these resolutions), and to do all such further acts, as such officer may consider to be necessary or desirable to give effect to the above resolutions and agreements referred to herein, and the execution of any such documents by any such officer of the Corporation, or the doing of any such act, shall be deemed to be conclusive evidence that such documents so executed, or such acts so performed, are authorized by these resolutions."

An extraordinary resolution must be passed at a duly convened meeting of the Noteholders by a majority consisting of not less than 66 2/3 % of the votes given on a poll.

PROCEDURES FOR OBTAINING NEW NOTE CERTIFICATES

A Letter of Transmittal, for use by registered Noteholders, is enclosed with this Circular. The Letter of Transmittal, when properly completed and signed and returned to Computershare Trust Company of Canada at the address set out on the Letter of Transmittal, together with a Note certificate and all other required documents, will enable the Noteholder to obtain an amended form of Note reflecting the new maturity date of the Notes.

Beneficial Noteholders (who do not have Notes registered in their own names, and who typically hold their Notes through a broker or other financial intermediary) will not receive, and are not required to remit, a Letter of Transmittal. If you are not certain whether or not you are a registered Noteholder, please contact your broker or financial advisor.

Any use of the postal service to transmit a Note certificate and a related Letter of Transmittal is at the risk of the holder thereof. If these documents are mailed it is recommended that registered mail, with return receipt requested, properly issued, be used. A revised Note certificate issuable to any Noteholder who has complied with the procedures set out above will, as soon as practicable after the date upon which approval to the extension of the maturity date of the Notes is obtained (i) be forwarded to the Noteholder at the address specified in the Letter of Transmittal, by insured first class mail, or (ii) be made available for pick up by the Noteholder identified in the Letter of Transmittal, at the office of Computershare Trust Company of Canada in Toronto, Ontario as specified in the Letter of Transmittal.

Where a Note certificate has been destroyed, lost or mislaid, the registered Noteholder of the Note certificate should contact Computershare Trust Company of Canada toll free at 1-800-564-6253, regarding the issuance of a replacement Note certificate upon the Noteholder satisfying such requirements as may be imposed by the Corporation in connection with issuance of a replacement Note certificate.

ADDITIONAL INFORMATION

Additional information about the Corporation is available at SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The contents and the sending of this Management Proxy Circular have been approved by the Board of Directors.

By Order of the Board



Barbara Hale
Vice President, General Counsel and Corporate Secretary
May 5, 2008
London, Ontario