

Annual General Meeting

Toronto, Ontario

May 12, 2006

the
BRICKGROUP
I N C O M E F U N D

**NOTICE OF ANNUAL GENERAL
MEETING OF UNITHOLDERS AND
MANAGEMENT PROXY CIRCULAR**



NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

TAKE NOTICE that the Annual Meeting (the “Meeting”) of Unitholders (the “Unitholders”) of The Brick Group Income Fund (the “Fund”) will be held at **The Brick Mattress Store, 531 College Street, Toronto, Ontario, on Friday, the 12th day of May, 2006 at 11:00 a.m.** (Eastern Standard Time) for the purposes of:

- (1) To receive the consolidated financial statements of the Fund for the financial year ended December 31, 2005, together with the report of the auditors thereon;
- (2) To elect the Trustees of the Fund for the ensuing year;
- (3) To appoint the auditors of the Fund and authorize the Trustees of the Fund to fix their remuneration; and
- (4) To transact such other business as may properly come before the Meeting of any adjournment thereof.

The accompanying Management Proxy Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. The 2005 Annual Report, which includes the Management Discussion and Analysis of financial condition and results of operations, the consolidated financial statements of the Fund and the auditor’s report to the Unitholders for the financial year ended December 31, 2005, accompanies this Notice and is posted at www.sedar.com and at www.thebrickgroup.ca.

Unitholders are invited to attend the Meeting and there will be an opportunity to ask questions and meet management. At the Meeting, the Fund will also report on its 2005 business results. For those Unitholders who cannot attend the Meeting in person, the Fund has made arrangements to provide a live Webcast of the Meeting. Details on how Unitholders may view the Webcast will be found at www.sedar.com and at www.thebrickgroup.ca and will also be provided in a media release prior to the Meeting. Nonetheless, Unitholders viewing the Webcast will not be permitted to vote through the Webcast facilities or participate in the Meeting.

BY THE ORDER OF THE TRUSTEES OF THE BRICK GROUP INCOME FUND

“Paulina Hiebert”

Paulina Hiebert
Vice President, Legal
and Corporate Secretary

Edmonton, Alberta
March 21, 2006



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PROXY CIRCULAR

This Proxy Circular is furnished in connection with the solicitation by the management of THE BRICK GROUP INCOME FUND (the “Fund”) of proxies to be used at the Annual Meeting (the “Meeting”) of Unitholders (the “Unitholders”) of the Fund to be held at the time and place and for the purposes set forth in the accompanying Notice of the Meeting, and all adjournments thereof.

It is expected that the solicitation will be made primarily by mail but proxies may also be solicited by telephone, over the Internet, in writing or in person, by Trustees, directors, officers or regular employees of the Fund and its subsidiaries who will receive no compensation therefore in addition to their regular remuneration. The cost of any such solicitation will be borne by the Fund. The Fund may also reimburse brokers and other persons holding units in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies. Such costs are expected to be nominal.

Unless otherwise noted, the information contained in this Proxy Circular is given as of March 21, 2006. All sums are expressed in Canadian dollars.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are Trustees or officers of the Fund. **Each Unitholder is entitled to appoint a person other than the individuals named in the enclosed form of proxy to represent such Unitholder at the Meeting.**

If you are a Unitholder and are unable to be present at the Meeting, you can appoint some other person (who need not be a Unitholder) to represent you at the Meeting by striking out the names set forth in the form of proxy and by inserting such person’s name in the blank space provided therein or by completing another proper form of proxy, and, in either case, by returning the completed proxy to Computershare Trust Company of Canada, 100 University Avenue, Toronto, Canada M5J 2Y1, for receipt not less than 24 hours, excluding Saturday, Sundays and holidays, before the time set for the Meeting or any adjournment or postponement thereof at which the proxy is to be used.

REVOCAION OF PROXIES

If you have submitted a proxy, you may revoke it at any time insofar it has not been exercised. A proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by an instrument in writing executed by you or by your attorney duly authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited with the Fund at Computershare Trust Company of Canada, 100 University Avenue, Toronto, Canada M5J 2Y1, for receipt not less than 24 hours, excluding Saturday, Sundays and holidays, before the time set for the Meeting or any adjournment or postponement thereof at which the proxy is to be used.

VOTING OF PROXIES

The units represented by the accompanying form of proxy will be voted or withheld from voting in accordance with your instructions on any show of hands or ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, the units will be voted accordingly. **If no**

specification has been made with respect to any such matter, the persons named in the enclosed form of proxy intend to cast the votes represented by such proxy IN FAVOR of any such matter as described in this Management Proxy Circular.

The accompanying form of proxy confers discretionary authority upon the attorney named therein with respect to amendments or variations to matters identified in the Notice of the Meeting and other matters which may properly come before the Meeting or any adjournment thereof. At the date of this Management Proxy Circular, the Trustees of the Fund know of no such amendments, variations or other matters. If matters which are not known at the date hereof should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person voting it.

RECORD DATE

The record date (the “Record Date”) for determining those Unitholders entitled to receive notice and to vote at the Meeting is the close of business on March 24, 2006. Only persons registered as Unitholders on the books of the Fund as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting, and no person becoming a Unitholder after the Record Date shall be entitled to receive notice of and to vote at the Meeting or any adjournment thereof. If you do not receive notice of the Meeting, you will not be deprived of the right to vote at the Meeting. The list of Unitholders so entitled will be available for inspection during normal business hours at Computershare Trust Company of Canada, 100 University Avenue, Toronto, Canada M5J 2Y1 and at the Meeting.

QUORUM

A quorum is required for the Meeting. For the Meeting, a quorum shall consist of two or more individuals present in person either holding personally or representing as proxies in aggregate not less than 10% of the votes attached to all outstanding Fund Units.

INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES

Information set forth in this section is very important to persons who hold Fund Units otherwise than in their own names. A non-registered Unitholder (a “Beneficial Holder”) who beneficially owns Fund Units, but such units are registered in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds Fund Units on behalf of the Unitholder or in the name of a clearing agency in which the intermediary is a participant) should note that only proxies deposited by Unitholders whose names are on the records of the Fund as the registered holders of Fund Units can be recognized and acted upon at the Meeting.

Fund Units that are listed in an account statement provided to a Unitholder by a broker are probably not registered in the Unitholder’s own name on the records of the Fund; such Fund Units are more likely registered in the name of the Unitholder’s broker or an agent of the broker.

Applicable regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Holders in advance of Unitholders’ meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Units are voted at the Meeting. Often the form of proxy supplied to a Beneficial Unitholder by its broker is identical to that provided to registered Unitholders. However, its purpose is limited to instructing the registered Unitholder how to vote on behalf of the Beneficial Unitholder. Most brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications (“ADP”). ADP typically prepares a voting instruction form (a “Voting Form”) that it mails to the Beneficial Holders and asks Beneficial Holders to

return the Voting Form directly to ADP. ADP then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Fund Units to be represented at the Meeting. A Beneficial Holder receiving a Voting Form cannot use that Voting Form to vote Fund Units directly at the Meeting. The Voting Form must be returned to ADP well in advance of the Meeting to have the Units voted.

Although Beneficial Holders may not be recognized directly at the Meeting for purposes of voting Units registered in the name of their broker or other intermediary, a Beneficial Holder may attend at the Meeting as proxyholder for the registered holder and vote their Fund Units in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own Fund Units as proxyholder for the registered holder should enter their own names in the blank space on the Voting Form provided to them and return same to ADP or their broker or other intermediary (or agent of such broker or other intermediary) in accordance with the instructions provided on the Voting Form well in advance of the Meeting.

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

No Trustee or officer of the Fund, nor their associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than as set forth herein.

VOTING OF FUND UNITS AND PRINCIPAL HOLDERS THEREOF

Voting of Fund Units

The Fund is authorized to issue an unlimited number of Class A and Class B trust units. As at March 21, 2006, there are 42,924,016 issued and outstanding Class A units, and 11,247,117 issued and outstanding Class B Units (collectively the "Fund Units").

Pursuant to the terms of the Fund's Declaration of Trust, all Unitholders of record are entitled to notice of and attend the Meeting in person or by proxy, and to one vote per Class A unit and to one vote per Class B unit held on any poll vote taken at the Meeting.

Principal Holders of Fund Units

To the best of the knowledge of the Trustees, there is no person or corporation which beneficially owns, directly or indirectly, or exercises control or direction over Fund Units carrying 10% or more of the votes attached to the outstanding Fund Units other than William H. Comrie (the "Vendor"), who holds 39.80% of the Fund Units, which is comprised of 100% of the issued and outstanding Class B units (11,247,117 Class B units) and 24.0% of the issued and outstanding Class A units (10,314,866 Class A units).

ELECTION OF TRUSTEES OF THE FUND

The Fund Declaration of Trust provides for a minimum of three Trustees and a maximum of ten Trustees, the majority of whom must be residents of Canada. The number of Trustees presently in office is seven. Trustees of the Fund are elected annually. The Vendor has the right to appoint Trustees of the Fund on the following basis:

- so long as the Vendor (or any of its associates or affiliates, including any family members of a controlling shareholder thereof or any company, trust or other entity owned by or maintained for

the benefit of any such person (together with the Vendor, collectively, the “Vendor Group”) holds or controls at least 20% of the Fund Units, it will be entitled to appoint two of the Trustees of the Fund and have an observer attend all meetings of the Trustees;

- so long as the Vendor Group holds or controls at least 10% of the Fund Units, but less than 20% of such interest, it will be entitled to appoint one of the Trustees of the Fund and have an observer attend all meetings of the Trustees; and
- once the Vendor Group holds or controls less than 10% of the Fund Units, it will not have the right to appoint any Trustees of the Fund or have an observer attend any meetings of the Trustees.

The Fund Declaration of Trust provides that the Vendor has the right, at any time, to require that the size of the board of the Fund be increased to seven Trustees. If the board of the Fund is so increased, and so long as the Vendor Group holds or controls at least 30% of the Fund Units, it will be entitled to appoint three of the seven Trustees of the Fund and have an observer attend all meetings of the Trustees. If the Vendor Group holds or controls less than 30% of the Fund Units, it will have the right to appoint the number of Trustees as set out above.

The Trustees have fixed the number of Trustees to be elected at the Meeting at five. Kim Yost and Al Swyripa are nominee Trustees of the Vendor.

The persons named in the enclosed form of proxy intend to vote FOR the election of the nominees whose names are set forth below, all of whom are now members of the Board of Trustees of the Fund, and have been since the dates indicated. Each Trustee of the Fund elected will hold office until the next annual meeting or until his successor is elected or appointed, unless his office is vacated earlier, provided that Unitholders shall not be entitled to vote on any appointment of any Trustee appointed by the Vendor.

The following summary sets forth for each person to be nominated for election by the Fund as Trustee of the Fund on the recommendation of the Board of Trustees and the Compensation, Nominating and Corporate Governance Committee of the Fund, his name; his province and country of residence; his period of service as Trustee of the Fund; his present principal occupation, business or employment; positions held with the Fund; and the approximate number of units of the Fund beneficially owned, directly or indirectly, or over which control or direction is exercised by him as at the date hereof.

Name and Province and Country of Residence	Positions held with the Fund	Principal Occupation	Date Appointed as a Trustee	Number of Units Beneficially Owned
Ron D. Barbaro ^{(1) (2) (3)} Ontario, Canada	Chairperson, Trustee, Director	Corporate Director and Consultant	July 20, 2004	190,000
Ron Rogers ^{(1) (2)} Alberta, Canada	Trustee, Director	Corporate Director	July 20, 2004	20,000
Domenic Ieraci ⁽¹⁾ Ontario, Canada	Trustee, Director	Consultant and Co-proprietor of Olvi China and Gifts	September 3, 2004	1,000
Chris Hodgson ⁽³⁾ Ontario, Canada	Trustee, Director	President, Ontario Mining Association	January 13, 2005	1,500
Al Swyripa ^{(3) (4)} Alberta, Canada	Trustee, Director	President, Landex Investments Company	July 20, 2004	8,900
Kim Yost ^{(2) (4)} Alberta, Canada	Trustee, Director, President and Chief Executive Officer	President and Chief Executive Officer, the Brick GP	July 20, 2004	60,058
Louie Mele ⁽³⁾ Toronto, Canada	Trustee, Director	President, McDonald's Restaurants of Canada Limited.	March 21, 2006	nil

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- (1) Member of the Audit Committee
 - (2) Member of the Distribution Committee
 - (3) Member of the Compensation, Nominating, and Corporate Governance Committee
 - (4) Nominee Trustee of the Vendor

Biographies

The following are brief profiles of the above named persons.

Ron D. Barbaro. Ron D. Barbaro is a corporate director and consultant. Between 1998 and 2003, Mr. Barbaro was Chairman and Chief Executive Officer of the Ontario Lottery and Gaming Corporation. Prior to holding that position, Mr. Barbaro was President of Worldwide Operations of Prudential Insurance Company of America. Mr. Barbaro is also a director of The Thomson Corporation, Flow International Inc. and Chair of TGI and TGLI and the Premier of Ontario's Economic Recovery Advisory Council.

Ron Rogers. Ron Rogers is a corporate director. Mr. Rogers was the Senior Vice President and Chief Financial Officer of Shaw Communications Inc. Mr. Rogers joined Shaw Communications in November 1995. He has held senior financial and operating positions with both public and private sector organizations and has extensive domestic and international experience in board matters, finance, operations and mergers and acquisitions. Mr. Rogers is also a director of Corus Entertainment and Transforce Inc., and a Trustee of Pizza Pizza Royalty Fund.

Domenic Ieraci. Domenic Ieraci is a Chartered Accountant and a Consultant. He is also a co-proprietor of Olvi China and Gifts. During the period October 1999 to February 2003, Mr. Ieraci held several senior financial positions with Mosaic Group Inc., a leading provider of marketing solutions. During the period July 2003 to June 2004, Mr. Ieraci held the position of Senior Vice President, Mosaic Sales Solutions Canada. Mr. Ieraci is also a former tax partner of KPMG LLP.

Chris Hodgson. Chris Hodgson has been the President of the Ontario Mining Association since October 2004. Previously, he held various government portfolios as Member of Ontario's Provincial Parliament, including Chairman of the Management Board of Cabinet (June, 1999 - February, 2001); Minister of Municipal Affairs and Housing (February, 2001 - January, 2003); Commissioner, Board of Internal Economy (July, 1999 - March 5, 2001) and Member of the Ontario's Provincial Parliament (October, 2003 - March, 1994). Mr. Hodgson also enjoyed an earlier career in real estate development.

Al Swyripa. Al Swyripa has been the President of Landex Investments Company since December, 2004. Prior to that and since April 1992, Al Swyripa served as President of Midco Equities Inc. and/or its subsidiary, Landex Investments Ltd., a private holding company that invests in real estate and both private and public equities. Mr. Swyripa is a Chartered Accountant and a former partner with the accounting firm of Thorne Ernst & Whinney. He is also a director of TGI and TGLI.

Kim Yost. Mr. Yost is the President and Chief Executive Officer of the Brick GP Ltd. Mr. Yost joined the Brick Group in February, 1997 and has held various positions since then including Senior Vice-President of Marketing and Senior Vice-President of Merchandising. Mr. Yost was appointed President of The Brick Warehouse Corporation in March 2000 and subsequently became Chief Executive Officer in March 2004. Mr. Yost has spent over 30 years in the retail industry in Canada, with experience in sales, marketing, operations and executive management with a number of organizations, including Wosk's, Woolworth and Woodwards.

Louie Mele. Mr. Mele has been the President of McDonald's Restaurants of Canada Limited since April, 2005. Prior to that, he has held various senior executive and management positions with McDonalds Restaurants in Canada, Florida, Virginia and Italy. Mr. Mele is a current Board member of McDonald's Restaurants of Canada, Ronald McDonald House Charities of Canada, and Canadian Restaurant and Foodservices Association.

Compensation of Trustees

Trustees of the Fund, other than the President and Chief Executive Officer, receive a basic annual retainer of \$24,000 per year payable in quarterly instalments for services as a Trustee. The Chairperson receives additional compensation of \$6,000 per year. In addition, each Trustee, other than the President and Chief Executive Officer, is paid \$1,000 for attending each board or committee meeting, other than for attending each meeting of the audit committee, where each Trustee is paid \$1,200 for attending. The Trustees are also reimbursed for reasonable traveling and other expenses properly incurred by them in attending meetings of the Trustees or any committee thereof or in connection with their services as Trustees.

EXECUTIVE COMPENSATION

The following table provides a summary of all compensation paid during the most recently completed financial year of the Brick Group and the period from July 20, 2004 (the date of the closing of the Fund’s initial public offering and the indirect acquisition by the Fund of the business of the Brick Group) to December 31, 2004 to the Chief Executive Officer, Chief Financial Officers, and the next three most highly compensated executive officers of the Brick Group and its subsidiaries (together with the Chief Executive Officer and Chief Financial Officers, collectively, the “**Named Officers**”).

Summary of Compensation

Name and Principal Position	Year (\$)	Annual Compensation			Long Term Incentive Compensation Awards		
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options/SARS Granted (#)	Restricted Shares or Restricted Share Awards (\$)	All Other Compensation (\$)
Kim Yost <i>President and Chief Executive Officer</i>	2005	483,000	312,751 ⁽⁶⁾	(2)	–	–	–
	2004 ⁽¹⁾	156,770	109,998 ⁽⁶⁾	(2)	–	265,720	–
Michael Borys ⁽³⁾ <i>Chief Financial Officer</i>	2005	95,577	7,243 ⁽⁶⁾	(2)	–	–	–
	2004	–	–	–	–	–	–
Ron Tweddle ⁽³⁾ <i>Chief Financial Officer</i>	2005	61,521	48,375 ⁽⁶⁾	(2)	–	–	647,745 ⁽⁴⁾
	2004 ⁽¹⁾	111,980	78,570 ⁽⁶⁾	(2)	–	163,520	–
Paul Richards..... <i>Executive Vice-President and Chief Operating Officer</i>	2005	325,000	195,444 ⁽⁶⁾	(2)	–	–	–
	2004 ⁽¹⁾	100,781	94,285 ⁽⁶⁾	(2)	–	163,520	–
Richard Innes..... <i>Senior Vice-President, Treasurer</i>	2005	255,964	76,850 ⁽⁶⁾	(2)	–	–	–
	2004 ⁽¹⁾	65,542	16,573 ⁽⁶⁾	(2)	–	33,215	–
Jeffrey Silver <i>Vice-President, Commercial Sales</i>	2005 ⁽⁵⁾	35,000	234,998	(2)	–	–	–
	2004	–	–	–	–	–	–

Notes:

- (1) Compensation in respect of the Brick Group’s 2004 fiscal year is for the period from July 20, 2004 (the date of the closing of the Fund’s initial public offering and the indirect acquisition by the Fund of the business of the Brick Group) to December 31, 2004.
- (2) Total Other Annual Compensation is not greater than the lesser of \$50,000 and 10% of total salary plus bonus.
- (3) On March 22, 2005, Mr. Tweddle resigned as Chief Financial Officer and an employee of the Brick Group. Mr. Borys was appointed Chief Financial Officer on September 7, 2005, prior to which Mr. Innes served as interim Chief Financial Officer.
- (4) Represents lump sum payment made pursuant to a severance agreement in connection with resignation from employment.
- (5) Mr. Silver was appointed an officer of the Brick Group in February, 2005.
- (6) The bonus, which is paid on a quarterly basis, is based on a multiple of the Fund’s EBITDA for that quarter. This bonus plan, which has been in place for over 15 years, is considered by the Fund to be an integral part of an officer’s total compensation package.

Long Term Incentive Plan (“LTIP”)

The officers of the Fund are eligible to participate in the Fund’s LTIP. The purpose of the LTIP is to provide eligible participants with compensation opportunities that will enhance the Brick Group’s ability to attract, retain and motivate key personnel and reward officers for significant performance that results in the Fund exceeding its per Fund Unit distributable cash targets. Pursuant to the LTIP, the Fund sets aside a pool of funds based upon the amount, if any, by which the Fund’s distributable cash per Fund Unit

exceeds certain defined distributable cash targets. A trustee purchases Fund Units in the market with this pool of funds and holds the Fund Units until such time as ownership vests to each participant. One-third of the Fund Units purchased for each participant vest on the date of grant and an additional one-third vest on each of the first and second anniversaries of such date. LTIP participants are entitled to receive distributions on all Fund Units held for their account prior to the applicable vesting date.

Unvested Fund Units held by the trustee for an LTIP participant are forfeited if the participant resigns or is terminated for cause prior to the applicable vesting date, and such unvested Fund Units are sold and the proceeds returned to the Fund. The Compensation, Nominating and Corporate Governance Committee and the Board of Trustees of the Fund have the power to, among other things: (i) determine those individuals who will participate in the LTIP; (ii) determine the level of participation of each participant; and (iii) determine the time or times when LTIP awards will vest or be paid to each participant.

The LTIP provides for awards that may be earned based on the amount by which distributable cash per annum per Fund Unit exceeds a base threshold per annum equal to the distribution target. The percentage amount of that excess which forms the LTIP incentive pool is determined in accordance with the table below:

Percentage by which Distributable Cash per Fund Unit Exceeds the Base Threshold⁽¹⁾	Maximum Proportion of Distributable Cash Available for LTIP Payments
5% of less.....	10%
Over 5% to 10%.....	15% of any excess over 5% to 10%
Greater than 10%	20% of any excess over 10%

Note:

⁽¹⁾ Annualized for fiscal periods of less than 12 months. The Base Threshold is subject to adjustment by the Compensation, Nominating and Corporate Governance Committee.

For the fiscal year ended December 31, 2005, no awards were made under the Fund’s LTIP. For the period from July 20, 2004 to December 31, 2004, a total award of \$1,022,000 was made under the Fund’s LTIP to purchase 77,148 Fund Units for the participants of the LTIP. LTIP awards made to Named Officers for such period ended December 31, 2004 are set out in the following table.

LTIP Awards Table

	Securities, Units or Other Rights (#)	Performance or Other Period Until Full Maturation or Payout	Estimated Future Payouts Under Non-Securities Price- Based Plans		
			Threshold (#)	Target (3)	Maximum (#)
Kim Yost <i>President and Chief Executive Officer</i>	20,058 Units ⁽¹⁾	April, 2007	–	–	–
Ron Tweddle <i>Chief Financial Officer</i>	12,344 Units ⁽¹⁾	April, 2007	–	–	–
Paul Richards <i>Executive Vice-President and Chief Operating Officer</i>	12,344 Units ⁽¹⁾	April, 2007	–	–	–
Richard Innes <i>Senior Vice President, Treasurer</i>	1,203 Units ⁽¹⁾	April, 2007	–	–	–
Jeffrey Silver <i>Vice-President, Commercial Sales</i>	–	–	–	–	–

Note:

- (1) These awards were granted in March, 2005 with respect to 2004 performance and vest over a two-year period, as described above. The purchases of these units were completed on June 14, 2005.

Employment Agreements

The Fund has entered into employment agreements with Kim Yost and Mike Borys.

Kim Yost. The employment agreement of Kim Yost, President and Chief Executive Officer, which is effective January 1, 2005, provides that he will be paid an annual base salary and bonus on profit, which will be reviewed from time to time. Mr. Yost also participates in the Fund's LTIP, in the amounts and pursuant to the terms determined by the Board of Trustees on an annual basis. Mr. Yost's employment agreement provides that he is entitled to a severance payment of (a) two times his then base annual salary; (b) an amount equal to two times the bonus on profit received by Mr. Yost during the calendar year immediately prior to the year in which such termination occurs; and (c) all Fund Units granted to him as at the date of termination, in accordance with, and subject to the terms and conditions provided for in the LTIP.

In addition, Mr. Yost is bound by certain non-disclosure and non-solicitation provisions, as well as certain non-compete provisions that are in effect for a period of one year following termination of employment.

Mike Borys. The employment agreement of Mike Borys, Executive Vice President and Chief Financial Officer, which is effective September 7, 2005, provides that he will be paid an annual base salary and bonus on profit, which will be reviewed from time to time. Mr. Borys also participates in the Fund's LTIP, in the amounts and pursuant to the terms determined by the Board of Trustees on an annual basis. Mr. Borys's employment agreement provides that he is entitled to a severance payment of (a) his then base annual salary; (b) an amount equal to the bonus on profit received by Mr. Borys during the calendar year immediately prior to the year in which such termination occurs, equivalent to the number of months Mr. Borys is entitled to his base salary pursuant to section (a) of this paragraph; and (c) all Fund Units granted to him as at the date of termination, in accordance, with and subject to the terms and conditions provided for in the LTIP.

In addition, Mr. Borys is bound by certain non-disclosure and non-solicitation provisions.

Indebtedness of Trustees and Officers

None of the Trustees or officers of the Fund, nor any associate of such Trustee or officer are to the date hereof, indebted to the Fund.

REPORT ON EXECUTIVE COMPENSATION

Compensation of Executive Officers

Compensation of the President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, and the Executive Vice President and Chief Operating Officer (collectively the “Executive Officers”) is determined by the Board of Trustees Compensation, Nominating, and Corporate Governance Committee (the “Compensation Committee”), and the Fund’s Board of Trustees. The Fund has the objective of attracting and retaining highly qualified executives, motivating their performance and aligning their interests with those of the Fund’s unitholders. Therefore, the Fund’s Executive Officers receive total compensation that (i) is competitive with the compensation received by executives employed by a group of companies contained in the Comparator Group (as defined below), (ii) links the Executive Officer’s interest with those of the unitholders of the Fund, and (iii) rewards superior performance. The Fund’s compensation strategy is therefore heavily weighted towards pay-for-performance components.

The Compensation Committee conducts an annual review of the salaries of the Executive Officers. This review primarily compares the compensation of these Executive Officers with those of retail companies with a size comparable to that of the Fund (the “Comparator Group”). The Compensation Committee believes that this review process provides an effective ongoing evaluation of the compensation relative to current industry standards.

The key elements included in determining the total compensation of the Executive Officers, were base compensation, annual bonus based on profit, and the Fund’s LTIP. The strategy is to align the compensation of the Executive Officers with the mean of those paid by companies included in the Comparator Group, as well as aligning benefits and perquisites with that market.

Compensation of Officers of the Fund

Compensation of the officers of the Fund, other than the Executive Officers, is determined by the Fund’s Executive Compensation Management Committee (the “Management Committee”). The Fund has implemented a “Vice President Compensation Program” (“Program”) which has been approved by the Compensation Committee and the Fund’s Board of Trustees.

The Fund’s Program has the objective of attracting and retaining highly qualified officers, motivating their performance and aligning their interests with those of the Fund’s unitholders. Therefore, the Program provides that the Fund’s officers receive total compensation that (i) is competitive with the compensation received by officers employed by a group of companies contained in the Officer Comparator Group (as defined below), (ii) links the officer’s interest with those of the unitholders of the Fund, and (iii) rewards superior performance. The Fund’s compensation strategy for its officers is heavily weighted towards pay-for-performance components.

The Management Committee conducts an annual review of the salaries of the officers. This review compares the compensation of these officers with those of retail companies with a size comparable to that of the Fund (the “Officer Comparator Group”). The Fund believes that this review process provides an effective ongoing evaluation of the compensation relative to current industry standards. The target for

total compensation is the mean of the Officer Comparator Group. Total compensation for each officer is adjusted as appropriate based on individual performance, capabilities, leadership skills and responsibilities.

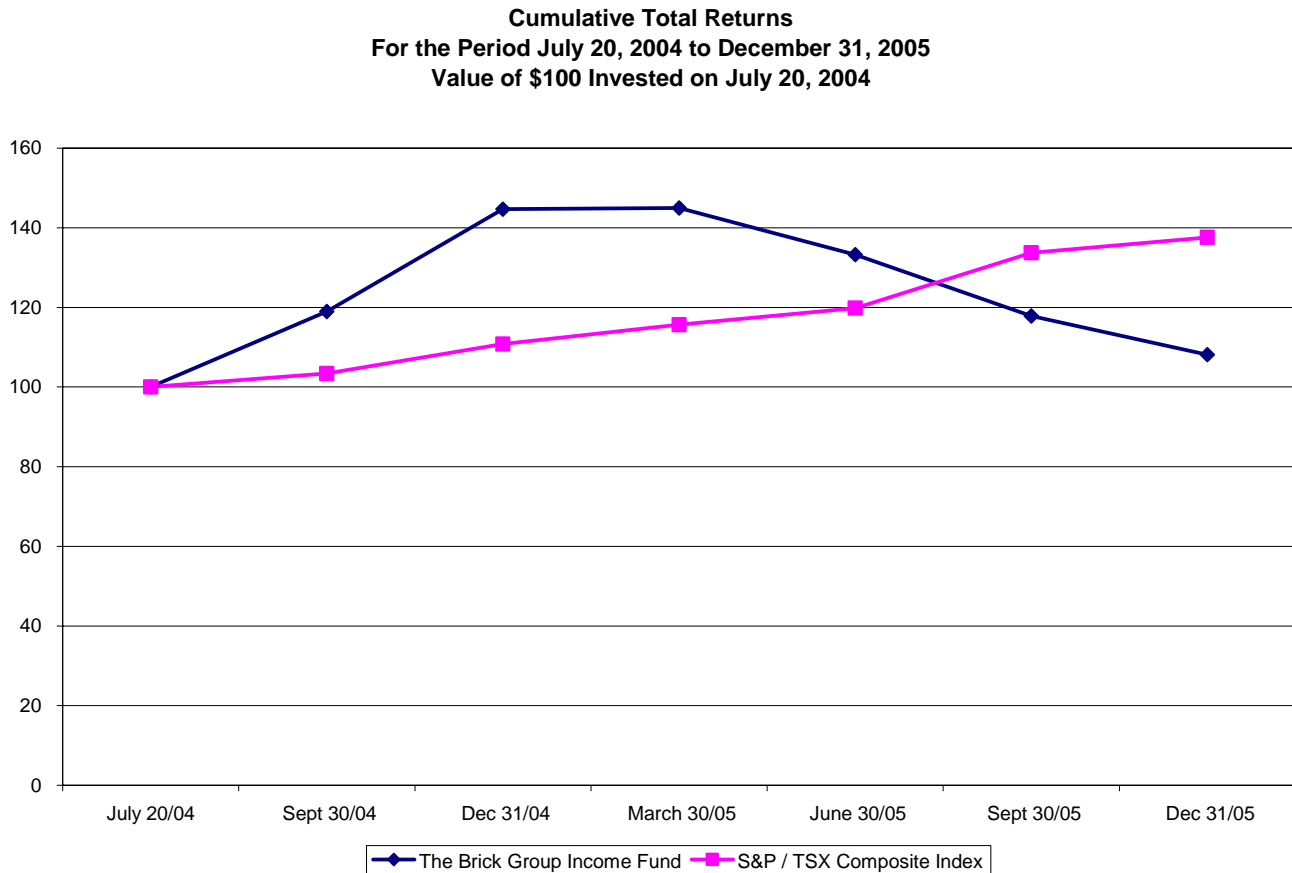
The Compensation Committee conducts an annual review of the Fund's Program, to ensure that the Program continues to meet the stated objectives.

Report on Executive Compensation Submitted by the Compensation, Nominating and Corporate Governance Committee of the Board of Trustees:

Chris Hodgson (Chairperson)
Ron D. Barbaro
Al Swyripa

PERFORMANCE GRAPH

The following graph compares the total cumulative return on \$100 invested in Class A units of the Fund with the cumulative total return on the S&P / TSX Composite Index (assuming reinvestment of distributions as at the date of payment of same) for the period from July 20, 2004 to December 31, 2005.



Note: All historical pricing information is taken from the data of the TSX.

TRUSTEES', DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Trustees of the Fund are covered under the Fund's Trustee's, Director's and Officers' liability insurance policy. The Fund has paid premiums of \$265,000 in respect of this insurance, the total amount of which is \$25 million. The insurance contains a deductibility provision of Cdn \$250,000. The annual premiums are paid entirely by the Fund.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Guidelines

The Board and management of the Fund recognize that sound and effective corporate governance is integral to the direction and operation of the Fund. The following discussion outlines the Fund's system of corporate governance. Please refer to Schedule A which discusses various matters addressed by

National Instrument 58-101 – Disclosure of Corporate Governance Practices (“58-101”), as adopted by the Securities Administrators with effect as of June 30, 2005.

The Fund’s corporate governance policies are reviewed regularly for improvement and are designed to strengthen the ability of the Board to effectively supervise management and enhance long term unitholder value. The Compensation, Nominating and Corporate Governance Committee provides direction, monitors compliance and makes recommendations to the Board to enhance corporate performance and promote ongoing improvement in Board effectiveness.

Mandate of the Board of Trustees and Composition

The responsibility of the Board of Trustees is to oversee the conduct of the Fund’s business and to supervise management. The Board of Trustees discharges its responsibilities either directly or through its Committees. The Trustees are kept informed of the Fund’s operations at meetings of the Board and its Committees and through reports and discussions with management. As part of its stewardship, and in addition to the obligations of the Board mandated by law, the Board has specific responsibility for the selection and monitoring of senior management; management succession planning; the identification and management of principal risks associated with the Fund’s business; strategic planning; and the implementation and assessment of internal controls, disclosure controls, and other systems and procedures consistent with applicable laws and good practice.

As at March 21, 2006, the Board is composed of seven trustees. Mr. Chris Hodgson was appointed a trustee of the Fund on January 13, 2005 and Mr. Louie Mele was appointed a Trustee of the Fund on March 21, 2006.

There were 13 Board of Trustees meetings held during the period January 1, 2005 to December 31, 2005.

Compensation, Nominating and Corporate Governance Committee

The Compensation, Nominating and Corporate Governance Committee (the “Compensation Committee”) is composed of four Trustees, namely Chris Hodgson (Chairperson), Ron D. Barbaro, Al Swyripa and Louie Mele.

The Compensation Committee is responsible for developing and monitoring the Fund’s approach to corporate governance in accordance with good corporate practice and applicable laws and policies. In particular, the Compensation Committee is responsible for overseeing the role, composition, and effectiveness of the Board of Trustees and its Committees. In this regard, the Compensation Committee is responsible for such matters as establishing and reviewing the mandate of the Board and its committees; identifying and evaluating candidates for nomination to the Board; overseeing the orientation and education programs for the Trustees; assessing the effectiveness of the Board, its committees and individual Trustees; and establishing and reviewing general corporate policies and practices, such as related party transaction policies and insider trading guidelines.

The Compensation Committee is also responsible for ensuring that appropriate and effective human resource recruitment, development, compensation, retention, succession planning, and performance evaluation programs are developed and implemented in conformity with the Fund’s strategic objectives, and with a view to attract and retain the best qualified management and employees. See “Report on Executive Compensation” for the report presented this year on executive compensation.

There were 5 Compensation Committee meeting held for the period January 1, 2005 to December 31, 2005.

Audit Committee

The Audit Committee is composed of three Trustees, namely Domenic Ieraci (Chairperson), Ron D. Barbaro, and Ron Rogers, all of whom are independent. The Audit Committee is responsible for overseeing the integrity of the Fund's financial reporting process. In this regard, the primary duties of the Audit Committee involve reviewing the Fund's annual and interim financial statements; monitoring the Fund's financial reporting process and internal disclosure control systems; and overseeing the audits conducted by the Fund's external auditors.

The Audit Committee is also responsible for overseeing the integrity of the Fund's risk management and the reporting procedures with respect thereto; evaluating the qualifications and performance of the Fund's external auditors and implementing practices to preserve their independence; reviewing the engagements to be provided by the external auditors; and reviewing all significant auditing and accounting practices and policies and any proposed changes with respect thereto.

There were 5 Audit Committee meetings held for the period January 1, 2005 to December 31, 2005.

Distribution Committee

The Distribution Committee is composed of three Trustees, namely Ron Rogers (Chairperson), Ron D. Barbaro, and Kim Yost. The Board of Trustees has adopted and intends to continue, so long as it is able to, the practice of approving monthly cash distributions on the Fund Units through the Distribution Committee. The Distribution Committee was appointed by the Board of Trustees to assist the Board in discharging its responsibilities relating to monitoring compliance with all solvency requirements under corporate and securities laws prior to approving any distributions on the Fund Units; and approving any press release and TSX declaration to be delivered in connection the distributions on the Fund Units.

There were 12 Distribution Committee meetings held for the period January 1, 2005 to December 31, 2005.

Attendance Record

The table below provides a detailed record of attendance by the Trustees and a summary of Board and Committee meetings held during the period January 31, 2005 to December 31, 2005.

Trustee	Board of Trustees (13 meetings)	Compensation, Nominating and Corporate Governance Committee (5 meetings)	Audit Committee (5 meetings)	Distribution Committee (12 meetings)
Ron D. Barbaro	13 of 13	5 of 5	5 of 5	12 of 12
Ron Rogers	13 of 13	--	5 of 5	12 of 12
Domenic Ieraci	13 of 13	--	5 of 5	--
Al Swyripa	13 of 13	5 of 5	--	--
Kim Yost	13 of 13	--	--	12 of 12
Chris Hodgson	13 of 13	5 of 5	--	--

The Board and its Committees regularly conduct “in-camera” sessions, at which no management Trustees or members of management are present. The in-camera sessions are intended not only to encourage the Board and its committees to fully and independently fulfil their mandates, but also to facilitate the performance of fiduciary duties and responsibilities of the Board and its committees on behalf of the Unitholders of the Fund.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote FOR the reappointment of Deloitte & Touche LLP, Chartered Accountants, Edmonton, as auditors of the Fund to hold office until the next annual meeting of Unitholders at a remuneration to be determined by the Trustees of the Fund. Deloitte & Touche LLP have been the auditors of the Fund since its initial public offering.

Auditor’s Fees

During the period January 1, 2005 to December 31, 2005, the Fund retained its principal accountant, Deloitte & Touche LLP, to provide services in the categories and for the approximate amounts that follow:

Type of Fees	Amount of Fees
Audit Fees	\$ 639,709
Audit-Related Fees	\$ 37,801
Tax Fees	\$ 279,757
All other fees ⁽¹⁾	\$ 24,271
TOTAL	\$ 981,538

⁽¹⁾ “Other Fees” relate to fees paid for products or services other than audit fees, audit-related fees, and tax fees.

The Audit Committee has determined that Deloitte & Touche LLP’s provision of non-audit services was compatible with maintaining Deloitte & Touche LLP’s independence.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed below and elsewhere herein, no Trustee of the Fund, or any director or officer of the Fund, or other insider of the Fund, nor any associate or affiliate of the foregoing persons has any substantial interest, direct or indirect, in any material transaction since the commencement of the Fund's most recently completed financial year or in any proposed transaction.

As disclosed in the Fund's Prospectus dated July 9, 2004 (the "Prospectus"), on July 20, 2004, the Fund acquired, indirectly through The Brick Trust, from LB Asset Holding Corp. (the "Vendor"), a corporation controlled by William H. Comrie, all of the issued and outstanding limited partnership units of The Brick Warehouse LP and shares of The Brick GP Ltd., and their subsidiary entities. See "Funding and Related Transactions" in the Prospectus, which section of the Prospectus, together with all applicable defined terms, is incorporated by reference herein. To the knowledge of the Trustees, directors and officers of the Brick Group, William H. Comrie beneficially owns, directly or indirectly, or exercises control or direction over 11,247,117 Class B units of the Fund and 10,314,866 Class A units of the Fund, representing 100% of the issued and outstanding Class B units and 24.0% of the issued and outstanding Class A units, respectively, as at December 31, 2005. The Class B units of the Fund are subject to subordination arrangements that are described under "Retained Interest and Exchange Rights" in the Prospectus, which section, and applicable definitions, is incorporated by reference herein.

In connection with the completion of the above acquisition and related transactions, the Vendor was granted certain registration rights and approval rights over the affairs of the Brick Group. These rights are described under "Retained Interest and Exchange Rights" in the Prospectus.

In addition, the Brick Group has entered into certain leases with entities that were, directly or indirectly, controlled by Mr. Comrie. These transactions are described under "Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations – Transactions with Related Parties" in the Prospectus, which section, together with all applicable defined terms, is incorporated by reference herein. As at August 29, 2004 the properties changed ownership so that Mr. Comrie no longer controls them.

ADDITIONAL INFORMATION

Additional information relating to the Fund is available at www.sedar.com and at www.thebrickgroup.ca. Financial information is provided in the Fund's financial statements for the fiscal year ended December 31, 2005, together with the management's discussion and analysis, thereon, available upon written request to the Corporate Secretary of the Fund at 16930 – 114 Avenue, Edmonton, Alberta T5M 3S2.

APPROVAL OF TRUSTEES

The contents and the sending to the Unitholders of this Management Proxy Circular have been approved by the Board of Trustees of the Fund.

Dated March 21, 2006

BY ORDER OF THE TRUSTEES

“Paulina Hiebert”

(signed) Paulina Hiebert
Vice President, Legal and
Corporate Secretary

SCHEDULE A - CORPORATE GOVERNANCE DISCLOSURE AND COMPLIANCE

THE BOARD OF TRUSTEES

Independence

The Board has reviewed the status of each of its trustees to determine whether such trustee is “independent” as defined under 58-101. Such review is based on the applicable factual circumstances, including financial, contractual and other relationships.

The Board is currently composed of 7 trustees, the majority of whom have been determined by the Board to be independent trustees. Mr. Kim Yost is not independent, as a result of his position as President and Chief Executive Officer of the Fund. Mr. Al Swyripa is not independent, as a result of his affiliation with the Vendor.

Other Directorships

The names of all other reporting issuers on which each trustee of the Fund serves as a director is set out in this Management Proxy Circular under the heading “ELECTION OF THE TRUSTEES OF THE FUND - Biographies”.

Board Meetings

The Board holds four regular meetings each year, as well as additional meetings as required. At the end of every regularly scheduled Board meeting, a session is held without any management, including the CEO, present. In the year ending December 31, 2005, the Board had four sessions at which the CEO and other members of management were not present.

Chairperson

Mr. Ronald D. Barbaro is the Chairperson of the Board. Mr. Barbaro is an independent trustee as defined in NI58-101. As Chairperson of the Board, his responsibilities include ensuring the Board functions effectively and independently of management and that it meets its obligations and responsibilities as set out in its mandate.

Attendance Record

For information concerning the attendance record of each trustee for all Board and committee meetings, please refer to the disclosure under the heading “STATEMENT OF CORPORATE GOVERNANCE PRACTICES – Attendance Record”.

BOARD MANDATE

The Board’s mandate sets out the Board’s purpose, organization, duties and responsibilities. A copy of the mandate is attached as Appendix “A”.

POSITION DESCRIPTIONS

The Board has developed written position descriptions for the Chairperson of the Board as well as the Chair of each Board committee. The Board has also developed a written position description for the Chief Executive Officer.

ORIENTATION AND CONTINUING EDUCATION

The Fund has not adopted a formal orientation process for new trustees, although all trustees are provided with a trustee's manual, which includes a copy of all Board and committee mandates and policies, the Fund's Declaration of Trust, and other reference material. New trustees are provided with the opportunity to meet with senior management and other trustees.

Trustees are kept informed as to matters impacting the Fund's operations through reports and presentations at Board meetings, and through educational sessions led by either management or third party experts. Special presentations on specific business operations are also provided to the Board. In 2006 a special meeting dedicated to strategic planning will also be held by the Board.

Trustees are also encouraged to attend development courses at the Fund's expense.

ETHICAL BUSINESS CONDUCT

Code of Conduct

The Fund has a written code of conduct for its trustees and employees. A copy of this code can be found on the Fund's website at www.thebrickgroup.ca. Management is responsible to advise the Compensation, Nominating and Corporate Governance Committee of the Board to any compliance issues relating to the code. The Board is also in the process of implementing a policy to ensure compliance with the code by requiring each trustee and officer to annually sign a certificate confirming his or her compliance with the code. To the knowledge of the Board, there have been no departures from the code during fiscal 2005 that would have required the filing of a material change report.

Related Party Transactions

In the event a trustee or officer has a material interest in any transaction or agreement entered into by the Fund, such interest must be declared and recorded. If the transaction or agreement is being considered by the Board, the trustee is also required to exclude him or herself from any discussions or vote relating to such transaction or agreement.

Culture of Ethical Business Conduct

The Board believes that a culture of strong corporate governance and ethical business conduct must be endorsed by the Board and its officers. The code of conduct addresses many areas of business conduct. In addition, the Fund's Whistle Blowing Policy provides a procedure for employees to raise concerns or questions regarding questionable audit or accounting matters.

The Fund has also adopted a corporate disclosure and confidential information policy which is reviewed annually. Quarterly and annual financial packages are reviewed by an internal Disclosure Committee prior to being recommended for Board approval and CEO/CFO certification of annual filings.

Nomination of Trustees

The Compensation, Nominating and Corporate Governance Committee annually reviews both the size and composition of the Board. In considering new nominees for the Board, the Committee assesses the skill, expertise and experience of incumbent trustees in order to determine the skills, expertise and experience it should seek in new board members to add value to the Board. The Committee then assesses each potential nominee against these criteria, and makes recommendations on candidates to the Board.

Nominating Committee

The Compensation, Nominating and Corporate Governance Committee has responsibility for identifying new candidates for board nomination. This committee is comprised of 4 members, the majority of which (3) are independent. The mandate of this committee in respect of nomination and Board assessment matters specifically sets out the following duties and responsibilities:

- To identify and propose to the nominees to the Board (other than the trustee(s) appointed by the Vendor Group) to stand for election at the annual meeting of unitholders and from time to time to propose new nominees to the Board and candidates for vacancies on the Board . In this regard, the Committee will have the authority to appoint and, if appropriate, terminate any search firm to identify trustee candidates and have the sole authority to approve the search firm's fees and other retention terms.
- To recommend to the Board, and upon the Board's approval, to maintain an orientation and educational program for new recruits to the boards of trustees in order to familiarize new trustees and directors with the business of the Fund, its management and professional advisors and its facilities and to ensure that prospective candidates fully understand the role of the Board , the role of the committees of the boards and the contribution individual trustees are expected to make, including in particular, the commitment of time and energy that is expected of trustees.
- To assess the independence and qualifications of the various members of the Board and the board of directors of the Fund's subsidiaries and their various committees.
- To review and recommend to the Board and the boards of directors of the Fund's subsidiaries on the composition of the various committees of the Board and such boards of directors.
- At least annually, to review the powers, mandates and performance, and the membership of the various committees of the Board and the boards of directors of the Fund's subsidiaries and, if appropriate, make recommendations to the board.

COMPENSATION

The remuneration paid to the Fund's trustees and officers is reviewed each year by the Compensation, Corporate Governance, and Nominating Committee. The level of compensation is remuneration is designed to provide a competitive level of remuneration relative to comparable positions in the marketplace. A comparator group is reviewed by identifying companies and other income funds, primarily within the Fund's market, of similar size considering value of assets, number of employees and reviewed. Consultants are retained as necessary to obtain this information and to assess the Fund's relative position.

Compensation Committee

The Corporate Governance, Nominating and Corporate Governance Committee has responsibility for determining the compensation of the Fund's trustees and officers. This committee is comprised of 4 trustees, the majority of which (3) are independent. The mandate of this committee in respect of compensation matters specifically sets out the following duties and responsibilities:

- To recommend to the board of whether and to whom participation in the long term incentive plan should be made available and, if so, the terms of such participation.

- To assess the need for, and if determined advisable, appoint and, if appropriate, terminate any compensation consultant to assist in the evaluation of trustee, director, Chief Executive Officer (“CEO”) or senior executive compensation. In this regard, the Committee will have sole authority to approve the consultant’s fees and retention terms.
- To review and recommend to the Board, from time to time and at least annually, the remuneration to be paid by the Fund to trustees.
- To review and recommend to the Board , from time to time and at least annually, the remuneration to be paid to directors of the Fund’s subsidiaries.
- To review and recommend to the Board for approval, any public disclosure of information relating to the Fund’s executive compensation, including the disclosure to be included in the Fund’s information circulars.
- To prepare and recommend to the Board for approval, the report of the committee to be included in the Fund’s information circular.
- To assess the performance of each of the CEO and Chief Financial Officer (“CFO”) against objectives developed by the board of directors and report to the directors.
- At least annually, to review and recommend to the Board corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and recommend to the Board, the CEO’s compensation levels based on this evaluation. In determining the long-term incentive component of the CEO’s compensation, the Committee shall consider the Fund’s performance and relative unitholder return, the value of similar incentive awards to CEOs at comparable entities, and the awards given to the CEO in past years.
- At least annually, to review and make recommendations to the Board with respect to the compensation of all other senior officers and other key executives, including incentive-compensation plans and equity-based plans, on the advice of the CEO. In reviewing and making recommendations to the Board, the Committee shall ensure that a process is in place to maintain a compensation program for the senior executives of The Brick GP Ltd. (“**The Brick**”) and its subsidiaries at a fair and competitive level.
- At least annually, to review and recommend to the Board, for the CEO, CFO and other senior executives of (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) the terms of any employment agreements, severance arrangements, and change in control arrangements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
- At least annually, to review and recommend to the board key human resources policies and programs in place and under development to ensure that programs related to manpower planning, management development, succession planning, career path planning and performance evaluation are effectively integrated with the strategy of The Brick and its subsidiaries.
- At least annually, to review and recommend to the board policies on salary administration, recruitment, job evaluation, pay and employment equity, basic incentive and total cash compensation, retirement benefits, and long-term incentive.
- To report on executive compensation as required by public disclosure requirements.

Compensation Consultants

The Compensation, Nominating and Corporate Governance Committee has the power to retain consultants, including compensation consultants or advisors, as the committee may determine necessary or advisable to carry out its responsibilities. During the year ending December 31, 2005, the committee retained a consultant to review the compensation paid to trustees.

OTHER BOARD COMMITTEES

For information concerning other Board committees, please refer to the disclosure under the heading "STATEMENT OF CORPORATE GOVERNANCE PRACTICES".

ASSESSMENTS

In response to the Board's commitment to effective corporate governance, an annual evaluation process has been initiated. As part of this evaluation, Board members assess their effectiveness as a Board and a peer evaluation of each member is completed. The Compensation, Nominating and Corporate Governance Committee reviews recommendations and issues arising out of the questionnaires, and implements such changes arising therefrom as it considers appropriate.

APPENDIX “A”

THE BRICK GROUP INCOME FUND MANDATE OF THE BOARD OF TRUSTEES

The Declaration of Trust provides that the investments and affairs of The Brick Group Income Fund (the “**Fund**”) will be subject to the control and authority of a minimum of three and a maximum of ten trustees, the majority of whom must be residents of Canada, within the meaning of the *Income Tax Act* (Canada). Pursuant to section 8.3 of the Declaration of Trust, LB Asset Holding Corp. (the “**Vendor**”) will have the right to appoint trustees of the Fund on the following basis:

- so long as the Vendor (or any of its associates or affiliates, including any family members of a controlling shareholder thereof or any company, trust or other entity owned by or maintained for the benefit of any such person (together with the Vendor, collectively, the “**Vendor Group**”)) holds or controls at least 20% of the units of the Fund, it will be entitled to appoint two of the trustees of the Fund and have an observer attend all meetings of the trustees;
- so long as the Vendor Group holds or controls at least 10% of the units of the Fund, but less than 20% of such interest, it will be entitled to appoint one of the trustees of the Fund and have an observer attend all meetings of the trustees; and
- once the Vendor Group holds or controls less than 10% of the units of the Fund, it will not have the right to appoint any trustees of the Fund or have an observer attend any meetings of the trustees.

The trustees are responsible for supervising the activities and managing the investments and affairs of the Fund pursuant to section 9.2 of the Declaration of Trust. The responsibilities of the board of trustees described herein are made pursuant to such provision and do not impose any additional responsibilities or liabilities on the trustees at law or otherwise.

Composition

The board of trustees shall be constituted with a majority of individuals who are “independent” within the meaning of the corporate governance policies of National Policy 58-201 *Effective Corporate Governance*.

Responsibilities of the Board of Trustees

The board of trustees are responsible for supervising the activities and managing the investments and affairs of the Fund pursuant to section 9.2 of the Declaration of Trust and in that regard shall be specifically responsible for:

- (i) the adoption of a strategic planning process and approval, on at least an annual basis, of a strategic plan which takes into account, among other things, the opportunities and risks of the Fund’s business and investments and ensures the Fund’s strategic plan is aligned with the long-term interests of unitholders of the Fund;
- (ii) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and senior officers of The Brick GP Ltd. (“**The Brick**”) and that the Chief Executive Officer and other senior officers create a culture of integrity throughout the organization;

- (iii) the identification of the principal risks for the Fund and ensuring the implementation of appropriate risk management systems;
- (iv) ensuring that the Fund complies with all applicable laws and legal requirements;
- (v) succession planning;
- (vi) adopting a communications and disclosure policy which enables the Fund to communicate effectively and addresses how the Fund interacts with all of its stakeholders, including analysts and the public, contains measures for the Fund to avoid selective disclosure and is reviewed at such intervals or times as the board deems appropriate;
- (vii) establishing and maintaining a standing audit committee of the board of trustees (the “**Audit Committee**”);
- (viii) reviewing and reassessing the adequacy of the terms of reference of the Audit Committee at such intervals or times as the board deems appropriate;
- (ix) receiving recommendations of the Audit Committee respecting, and reviewing and approving, the audited, interim and any other publicly announced financial information of the Fund;
- (x) developing the Fund’s approach to governance, including developing a set of governance principles and guidelines that are specifically applicable to the Fund and establishing and maintaining a standing compensation, nominating and corporate governance committee of the board of trustees (the “**Governance Committee**”);
- (xi) implementing a process for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of individual trustees;
- (xii) implementing a process for examining the size of the board of trustees and undertaking, where appropriate, a program to establish a board size which facilitates effective decision-making;
- (xiii) implementing a process for reviewing the adequacy and form of compensation of trustees and ensuring that compensation realistically reflects the responsibilities and risk involved in being a trustee;
- (xiv) meeting regularly with management of The Brick to receive reports respecting the performance of the Fund, new and proposed initiatives, the Fund’s business and investments, management concerns and any areas of concern involving the Fund;
- (xv) meeting regularly without management;
- (xvi) review and assess the adequacy of this policy annually and at such other times as it considers appropriate and shall make such changes as it considers necessary or appropriate;
- (xvii) review the reports of management and the Audit Committee concerning the integrity of the Fund’s internal control and management information systems. Where appropriate, the

board of trustees shall require management and the Audit Committee to implement changes to such system to ensure integrity of such systems; and

(xviii) approving and monitoring insider trading and share ownership policies.

Pension and Benefits Plan Matters

The board of trustees shall receive and review reports from management and from the Compensation, Nomination and Corporate Governance Committee covering administration, investment performance, funding, financial impact, actuarial reports and other pension and benefits plan related matters.

Code of Business Conduct and Ethics

The board of trustees will review and approve a Code of Business Conduct and Ethics for the Fund. In adopting this Code, the board of trustees will consider the recommendations of the Compensation, Nomination and Corporate Governance Committee concerning its compliance with applicable legal and stock exchange listing requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the board of trustees may consider appropriate.

Compliance and Disclosure

The board of trustees will direct the Compensation, Nomination and Corporate Governance Committee to monitor compliance with the Code of Business Conduct and Ethics and recommend disclosures with respect thereto. The board of trustees will consider any report of the Compensation, Nomination and Corporate Governance Committee concerning these matters, and will approve, if determined appropriate, the disclosure of the Code of Business Conduct and Ethics and of any waiver granted to a trustee or executive officer of the Fund or to a director or executive officer of The Brick from complying with the Code of Business Conduct and Ethics.

While the board of trustees is called upon to “manage” the business of the Fund, this is done by proxy through the appointed executives of the Fund’s subsidiaries. The board of trustees is responsible for the on-going strategic planning process of the Fund, approves the goals of the business, the strategies and policies within which it is managed, and then steps back and evaluates management performance. Reciprocally, management keeps the board of trustees fully informed of the progress of the Fund and its subsidiaries towards the achievement of their established goals and of all material deviations from the goals or objectives and policies established by the board of trustees in a timely and candid manner.

It is recognized that every trustee in exercising powers and discharging duties must act honestly and in good faith with a view to the best interest of the Fund. Trustees must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, trustees are expected to carry out their duties in accordance with policies adopted by the board of trustees from time to time, the current policy being annexed hereto as Appendix “A”.

It is expected that management will co-operate in all ways to facilitate the Trustees’ compliance with their legal duties by causing the Fund and its subsidiaries to take such actions as may be necessary in that regard and by promptly reporting any data or information to the board of trustees that may affect such compliance.

Responsibilities of Chair

The role and responsibilities of the Chair of the Fund are set out below:

- (i) the Chair shall be expected to attend and chair meetings of the board of trustees of the Fund and unitholders of the Fund;
- (ii) the Chair shall not be a member of management;
- (iii) the Chair shall not be expected to and shall not perform policy making functions other than in his or her capacity as a trustee of the Fund. The Chair shall not have the right or entitlement to bind the Fund in his or her capacity as Chair;
- (iv) the Chair shall provide direction with respect to the dates and frequencies of board meetings and related committee meetings and the Chief Executive Officer of The Brick, the Vice President, Legal and Corporate Secretary, and the Chair shall liaise to prepare board meeting agendas;
- (v) the Chair shall ensure that the board understands the boundaries between board and management responsibilities; and
- (vi) the Chair shall ensure that the board of trustees carries out its responsibilities effectively, which will involve the board meeting on a regular basis without management present and may involve assigning responsibility for administering the board's relationship with management to a committee of the board.

Decisions Requiring Prior Approval of the Board of Trustees

Approval of the board of trustees shall be required for:

- (i) distributions;
- (ii) significant acquisitions/dispositions;
- (iii) related party transactions;
- (iv) the release of any financial information to be publicly disseminated;
- (v) the issuance or repurchase of trust units of the Fund;
- (vi) the terms of reference of committees of the board; and
- (vii) any other matter that would give rise to a "material change" to the Fund.

The foregoing list is intended to specify particular matters requiring board approval and is not intended to be an exhaustive list.

Measures for Receiving Unitholder Feedback

All publicly disseminated materials of the Fund shall provide for a mechanism for feedback of unitholders. Persons designated to receive such information shall be required to provide a summary of the feedback to the trustees on a semi-annual basis or at such other more frequent intervals as they see fit.

Meetings

The board of trustees will meet not less than four times per year: three meetings to review quarterly results; and one, following the annual general meeting. A quorum for the meetings shall be a majority of the trustees then holding office.

From time to time trustees may be asked to participate in board retreats which may last one to three days.

Meeting Guidelines

Trustees will be expected to have read and considered the materials sent to them in advance of each meeting, and to be prepared to discuss the matters contained in such materials at the meeting. Administrative matters (eg., bank signing resolutions, etc.) which require a vote will be batched for voting purposes. Trustees will be expected to ask questions relating to batched items in advance of the meeting. The notice of meeting will highlight significant matters to be dealt with at each meeting so that trustees can focus on reviewing the related materials. Senior management will be made accessible to trustees at board meetings and committee meetings to fulfill their obligations.

Remuneration

Remuneration will be established upon the recommendation of the compensation, nominating and corporate governance committee and shall be at a level which will attract and motivate professional and competent members.

Telephone Board of Trustees Meetings

Pursuant to the Declaration of Trust, a trustee may participate in a meeting of the trustees or in a committee meeting by means of telephone or such other communications facilities as permit all persons participating in the meeting to hear each other and a trustee participating in such a meeting by such means is deemed to be present at the meeting.

While it is the intent of the board of trustees to follow an agreed meeting schedule as closely as possible, it is felt that, from time to time, with respect to time sensitive matters telephone board meetings may be required to be called in order for trustees to be in a position to better fulfill their legal obligations. Alternatively, management may request the trustees to approve certain matters by unanimous consent.

In Camera Sessions

Before, during an adjournment of or following the conclusion of each meeting of the board of trustees, the non-management trustees shall meet without any member of management being present (including any trustee who is a member of management), provided that any failure to do so shall not invalidate business transacted at a duly convened meeting of the board of trustees.

To the extent that non-management trustees include trustees who are not independent trustees as contemplated in this policy, the independent trustees shall meet at least once per year with only independent trustees present.

The trustees shall not transact business of the board of trustees at an in camera session of trustees.

Expectations of Management

Management shall be required to report to the board of trustees at the request of the board on the performance of the Fund, new and proposed initiatives, the Fund's business and investments, management concerns and any other matter the board or its Chair may deem appropriate. In addition, the board expects management to promptly report to the Chair of the board any significant developments, changes, transactions or proposals respecting the Fund or its subsidiaries.

APPENDIX A
POLICY OF PRACTICES FOR TRUSTEES

Attendance at Meetings

Each trustee is expected to have a very high record of attendance at meetings of the board of trustees, and at meetings of each committee on which the trustee sits. A trustee is expected to:

- (i) advise the Chair as to planned attendance at board and committee meetings shortly after meeting schedules for the year have distributed;
- (ii) advise the Chair as soon as possible after becoming aware that he or she will not be able to attend a meeting; and
- (iii) attend a meeting by conference telephone if unable to attend in person.

Preparation for Meetings

Trustees are expected to carefully review and consider the materials distributed in advance of a meeting of the board of trustees or a committee of the board of trustees. Trustees are also encouraged to contact the Chair, the Chief Executive Officer of The Brick and any other appropriate officers to ask questions and discuss agenda items prior to meetings.

Conduct at Meetings

Trustees are expected to ask questions and participate in discussions at meetings, and to contribute relevant insights and experience. In discussions at meetings, a trustee should:

- (i) be candid and forthright;
- (ii) not be reluctant to express views contrary to those of the majority;
- (iii) be concise and, in most circumstances, respect the time constraints of a meeting; and
- (iv) be courteous to and respectful of other directors/trustees and guests in attendance.

Knowledge of the Fund's Business

Trustees are expected to be knowledgeable with respect to the various fields and divisions of business. Although management has a duty to keep the board of trustees informed about developments in the Fund's business, trustees have a primary duty of care and diligence, which includes a duty of inquiry. Trustees should:

- ask questions of management and other directors/trustees, at meetings and otherwise, to increase their knowledge of the business of the Fund;
- familiarize themselves with the risks and challenges facing the business of the Fund;
- read all internal memoranda and other documents circulated to the directors, and all reports and other documents issued by the Fund for external purposes;

- insist on receiving adequate information from management with respect to a proposal before board approval is requested;
- familiarize themselves with the Fund's competitors by, among other things, reading relevant news, magazine and trade journal articles; and
- familiarize themselves with the legal and regulatory framework within which the Fund carries on its business.

Personal Conduct

Trustees are expected to:

- (i) exhibit high standards of personal integrity, honesty and loyalty to the Fund;
- (ii) project a positive image of the Fund to news media, the financial community, governments and their agencies, shareholders and employees;
- (iii) be willing to contribute extra efforts, from time to time as may be necessary including, among other things, being willing to serve on committees of the board; and
- (iv) disclose any potential conflict of interest that may arise with the business or affairs of the Fund and, generally, avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.