



**Notice of Annual Meeting of Unitholders and
Management Information Circular**

Annual Meeting – May 18, 2006

April 12, 2006

Notice of Annual Meeting of Unitholders

The Annual Meeting (the “Meeting”) of the holders (the “Unitholders”) of trust units of the Richards Packaging Income Fund (the “Fund”) will be held at 2:00 p.m. (Toronto time) on Thursday, May 18, 2006, at the TSX Broadcast & Conference Centre, The Exchange Tower, 130 King Street West, Toronto in the Executive Boardroom for the following purposes:

1. to receive the consolidated financial statements of the Fund for the year ended December 31, 2005 and the report of the auditors thereon;
2. to elect the trustees of the Fund for the ensuing year;
3. to appoint the auditors for the ensuing year and authorizing the trustees to fix the remuneration to be paid to the auditors; and
4. to transact such other business as may properly come before the Meeting and any adjournment thereof.

The trustees of the Fund, immediately following the Meeting, will also be elected the directors of Richards Packaging Inc. (“Richards Canada”), Richards Packaging Holdings Inc. (“Holdings”) and Richards Packaging, Inc (“Richards US”).

The accompanying Management Information Circular of the Fund provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice. The financial statements for the year ended December 31, 2005 and the report of the auditors thereon are included in the Fund’s Annual Report.

By Order of the Board of Trustees

(Signed) *“Donald Wright”*
Trustee, Chairman of the Board
Richards Packaging Income Fund

Dated at Toronto, Ontario this 12th day of April 2006

Richards Packaging Income Fund

Management Information Circular

For the Annual Meeting of Unitholders

To be held on Thursday, May 18, 2006

The trustees (the “Trustees”) of Richards Packaging Income Fund (the “Fund”), in conjunction with the management of Richards Packaging Inc. (“Richards Canada”), are pleased to announce the Fund’s second annual meeting (the “Meeting”). Management of Richards Canada has prepared this Management Information Circular, is asking you to vote and is soliciting proxies and voting instructions for the votes on the matters to be considered at the Meeting of holders (the “Unitholders”) of trust units (the “Units”) of the Fund. The costs of preparing and mailing the Notice of Annual Meeting, this Management Information Circular and related matters are being borne by Richards Canada. The record date for notice and voting is April 18, 2006.

The Fund

The Fund is an open-ended, limited purpose trust established under the laws of the Province of Ontario by a Declaration of Trust (as amended, the “Trust Declaration”) to hold the securities of Richards Packaging, directly or indirectly. “Richards Packaging” as used herein refers to all the subsidiaries of the Fund which include Richards Packaging Holdings Inc. (“Holdings”), Richards Canada and Richards Packaging, Inc. (“Richards US”). Richards Packaging is a full service rigid packaging distributor and has 17 locations across Canada and the United States.

The Fund does not carry on any active business but rather holds the securities of Richards Packaging, directly or indirectly. The affairs of the Fund are supervised by its board of Trustees, who are responsible for, among other things, representing the Fund as a direct or indirect shareholder and note indenture holder of Holdings and authorizing distributions from the Fund to the Unitholders.

Information for Beneficial Holders of Securities

The information set forth in this section is of significant importance to beneficial holders of Units (herein referred to as “Beneficial Unitholders”), as they do not hold Units registered in their own names on the records of the Fund. Such holders should note that since all Units are held in the book-based system operated by the Canadian Depository for Securities Limited (“CDS”), only proxies deposited by CDS, as the sole registered Unitholder, can be recognized and acted upon at the Meeting. If Units are listed in an account statement provided to a Beneficial Unitholder by a broker, then those Units will not be registered in the Beneficial Unitholder’s name on the records of the Fund. All of such Units will be registered under the name of CDS & Co., the registration name for CDS. Units may only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers/nominees are prohibited from voting Units on behalf of their clients.

In accordance with applicable securities laws, the Fund has distributed copies of the Notice, this Management Information Circular and the form of proxy to be used by CDS as the sole registered Unitholder (collectively, the “meeting material”) to CDS and intermediaries for onward distribution to Beneficial Unitholders.

Voting

Intermediaries are required to forward meeting materials to Beneficial Unitholders unless a Beneficial Unitholder has waived the right to receive them. Typically, intermediaries will use service companies to forward the meeting materials to Beneficial Unitholders. Beneficial Unitholders who have not waived the right to receive meeting materials will either:

- a) be given a voting instruction form which must be completed and signed by the Beneficial Unitholder in accordance with the directions on the voting instruction form, which may in some cases permit the completion of the voting instruction form by telephone or through the Internet. A Beneficial Unitholder who receives a voting instruction form cannot use that form to vote the Units directly at the Meeting;

rather, the Beneficial Unitholder must complete the voting instruction form in accordance with the instructions contained therein well in advance of the Meeting; or

- b) less frequently, be given a proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Units beneficially owned by the Beneficial Unitholder but which is otherwise uncompleted. This form of proxy need not be signed by the Beneficial Unitholder. In this case, the Beneficial Unitholder who wishes to submit a proxy should otherwise properly complete the form of proxy received from the intermediary and deposit it with the CIBC Mellon Trust Company, Attn: Proxy Department, 200 Queen's Quay East, Unit 6, Toronto, Ontario, M5A 4K9 as described below under "Appointment of Proxies".

The purpose of these procedures is to permit Beneficial Unitholders to direct voting of the Units they beneficially own. Should a Beneficial Unitholder who receives either a proxy or a voting instruction form wish to attend and vote at the Meeting in person, or have another person attend and vote on behalf of the Beneficial Unitholder, the Beneficial Unitholder should insert the Beneficial Unitholder's, or such other person's, name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Beneficial Unitholders should carefully follow the instructions of their intermediaries and their service companies.**

Revocation of Proxies

A registered Unitholder who has given a proxy may revoke the proxy:

- a) by completing a proxy signed by the Unitholder or by the Unitholder's attorney authorized in writing bearing a later date and depositing it with the transfer agent as described above; or
- b) by depositing an instrument of revocation in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing:
 - i) at the registered office at Richards Canada at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or
 - ii) with the chairman of the Meeting prior to the exercise of the proxy; or
- c) in any other manner permitted by law.

A Beneficial Unitholder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an intermediary at anytime by written notice to the intermediary, except that an intermediary may not 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 the intermediary in sufficient time prior to the Meeting.

If you are a Beneficial Unitholder and wish to vote in person at the Meeting, please review the voting instructions provided to you or contact your broker or agent well in advance of the Meeting to determine how you can do so.

Proxy Solicitation and Voting at the Annual Meeting

Solicitation of Proxies and Voting Instructions

This Management Information Circular is furnished in connection with the solicitation of proxies and voting instructions for use at the Meeting to be held on May 18, 2006 at the TSX Broadcast & Conference Centre, The Exchange Tower, 130 King Street West, Toronto in the Executive Boardroom at 2:00 p.m., and at any adjournment thereof, for the purposes set forth in the Notice of Meeting and in this Management Information Circular. In addition to the use of mail, proxies and voting instructions may be solicited in person, by telephone, or by other means of communication, or by employees of Richards Canada, who will not be remunerated therefor. Richards Canada reserves the right to retain proxy solicitation services or dealers, for appropriate compensation, but has no current plans to do so.

Appointment of Proxies

The persons named in the enclosed form of proxy are Trustees. A registered Unitholder who wishes to appoint some other person to represent him/her at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. Such other person need not be a Unitholder.

To be valid, proxies must be returned to CIBC Mellon Trust Company so as to arrive not later than 5:00 p.m. (Toronto time) on May 16, 2006 or, if the Meeting is adjourned, 48 hours before any reconvened meeting or be deposited with the chairman of the Meeting prior to the commencement of the Meeting or any reconvened meeting. Proxies may be returned by facsimile to (416) 368-2502, or by mail (a) in the enclosed envelope, or (b) in an envelope addressed to CIBC Mellon Trust Company, 200 Queen's Quay East, Unit 6, Toronto, Ontario M5A 4K9.

Voting of Proxies

The persons named in the accompanying form of proxy, who are Trustees, will vote or withhold from voting Units in respect of which they are appointed, on any ballot that may be called for, in accordance with the direction of the Unitholder appointing them and, if the Unitholder specifies a choice with respect to any matter to be acted upon, the Units will be voted accordingly. **In the absence of such specification, such Units will be voted in favour of the matters to be acted upon as set out herein.** The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters, which may be properly brought before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their judgment on such matter or business. At the time of printing this Management Information Circular, the Trustees knew of no such amendment, variation, or other matter.

Voting Securities and Principal Holders of Voting Securities

The Fund is authorized to issue an unlimited number of Units and 10,256,327 Units were issued and outstanding as of April 12, 2006. Each Unit entitles the holder to one vote. In addition, 524,685 special voting units of the Trust (the "Special Voting Units") are outstanding as of April 12, 2006. The Special Voting Units are held by holders of exchangeable shares of Holdings and entitle the holders of the exchangeable shares to one vote per exchangeable share outstanding on the record date established for the Meeting. The record date for determining notice of and voting rights at the Meeting is April 18, 2006.

To the knowledge of the Trustees, there is no person or company that beneficially owns, directly or indirectly, or exercises control or direction over Units or Special Voting Units carrying more than 10% of the voting rights attached to the issued and outstanding Units or Special Voting Units, except the following:

Name of Beneficial Owner or Person Exercising Voting Control	Number of Units	% of Outstanding Units	Number of Special Voting Units	% of Outstanding Special Voting Units	% of Outstanding Units and Special Voting Units
Mr. Gerry Glynn	1,581,400	15.4%	254,908	48.6%	17.0%
Bloom Investment Counsel, Inc.	1,160,000	11.3%	--	--	11.3%

Business of the Meeting

1. Financial Statements

The audited consolidated financial statements of the Fund for the year ended December 31, 2005 are included in the Fund's 2005 Annual Report mailed to the Unitholders with the Notice of Annual Meeting of Unitholders and this Management Information Circular, and will be presented to Unitholders at the Meeting.

2. Appointment of Trustees

The Trust Declaration provides for a minimum of three and a maximum of ten Trustees, with the number of Trustees to be elected to be determined by the Trustees. The Trustees have determined that five persons should be elected as Trustees and the five nominees proposed for election as Trustees are listed below. All are currently Trustees as well as directors of Holdings, Richards Canada and Richards US. All nominees have established their eligibility and willingness to serve as Trustees. Trustees elected will hold office until the next annual meeting of Unitholders or until their successors are appointed pursuant to the terms of the Trust Declaration.

Unless otherwise instructed, the persons designated in the form of proxy intend to vote for the election of the nominees listed below. If, for any reason at the time of the Meeting, any of the nominees are unable to serve as Trustees, and unless otherwise directed, the persons named in the form of proxy intend to vote in their discretion for a substitute nominee or nominees.

The following table sets out the names of and certain additional information for the persons proposed to be nominated for election as Trustees (and directors of Holdings, Richards Canada and Richards US):

Donald Wright ^{(1),(2),(4)} Trustee/Director since: April 7, 2004 Ownership or control over: 15,000 Units Resident of Toronto, Ontario Canada	Donald Wright holds Director positions on various boards of directors. Mr. Wright was Deputy Chairman of TD Bank Financial Group from 2001 to 2002 and Chairman and Chief Executive Officer of TD Securities Inc. from 1998 to 2002.
Wayne McLeod ^{(1),(2),(4)} Trustee/Director since: April 7, 2004 Ownership or control over: 1,000 Units Resident of Toronto, Ontario Canada	Wayne McLeod holds Director positions on various boards of directors. Mr. McLeod retired in 1999 from CCL Industries Inc., where he served as President, Chief Executive Officer and Chairman of the Board.
Derek Ridout ^{(2),(4)} Trustee/Director since: April 7, 2004 Ownership or control over: 10,000 Units Resident of Toronto, Ontario Canada	Derek Ridout is currently Chairman of the Board of The Data Group. Mr. Ridout was Chairman of the Board of Minacs Worldwide Inc. from 2003 to 2004. Prior to that, Mr. Ridout was Chief Executive Officer for Perigee Investment Counsel Inc. from 2001 and President and Chief Executive Officer of Silcorp Limited from 1992 to 1999.
Rami Younes ^{(1),(2),(4)} Trustee/Director since: October 13, 2005 Ownership or control over: 10,000 Units Resident of Toronto, Ontario Canada	Rami Younes has been President of CCL Container, a division of CCL Industries Inc. since 1985.
Gerry Glynn ^{(3),(4)} Trustee since: April 7, 2004 Director since: November 2002 Ownership or control over: 1,836,308 Units Resident of Toronto, Ontario Canada	Gerry Glynn has been Chief Executive Officer of Richards Canada since November 2002. Prior to that, Mr. Glynn was Chief Financial Officer of Data Business Forms Ltd. from 1994 to 2000.

(1) Member of the Audit Committee

(2) Member of the Compensation and Corporate Governance Committee

(3) See "Voting Securities and Principal Holders of Voting Securities" on page 5.

(4) The information as to the Units beneficially owned or over which control or direction is exercised, not being within the knowledge of the Fund, has been provided by the respective nominees individually.

Election of Directors of Richards Packaging

Annually the Trustees are required to elect directors of Holdings, Richards Canada and Richards US (the “Board of Directors” or the “Directors”). The proposed nominees for election as the Board of Directors of Holdings, Richards Canada and Richards US are the same individuals as the proposed nominees for election as the Trustees who are listed above. All are currently Directors of Holdings, Richards Canada and Richards US and each of the proposed nominees has established his eligibility and willingness to serve as a Director of all three entities. See the above table for details concerning them. Following the Meeting, the Trustees intend to vote for such nominees for election to the respective Boards of Directors of Holdings, Richards Canada and Richards US. Directors for each entity will hold office until the next annual meeting of Unitholders, or until their successors are elected or appointed.

3. Appointment of Auditors

The Trustees propose that the firm Ernst & Young LLP be appointed as the auditors of the Fund for the 2006 financial year. Ernst & Young LLP have served as the auditors to the Fund since its inception. **Unless otherwise directed, the persons named in the form of proxy intend to vote for the appointment of Ernst & Young LLP as auditors and to authorize the Trustees to fix the auditors’ remuneration.**

Corporate Governance Disclosure

The following constitutes the Fund’s disclosure of its corporate governance practices and is made pursuant to and with reference to *National Instrument 58-101, Disclosure of Corporate Governance Practices* (hereinafter collectively the “Corporate Governance Guidelines”).

The Board of Trustees has two committees: the Audit Committee and the Compensation and Corporate Governance Committee.

Board Composition

The Board of Trustees (the “Board”) has determined that 4 out of 5 Trustees, representing a majority of the Trustees, are independent as such term defined in Multilateral Instrument 52-110. The independent Trustees are Donald Wright, Wayne McLeod, Derek Ridout and Rami Younes. A person is “independent” if he or she does not have a direct or indirect “material relationship” with Richards Packaging. A “material relationship” is a relationship which, in the view of the Trustees, could be reasonably expected to interfere with the exercise of a Trustee’s independent judgment. Gerry Glynn is not considered an independent Trustee as he is Chief Executive Officer of Richards Canada.

Certain of the Trustees are also directors of other issuers that are reporting issuers in Canada (or the equivalent in foreign jurisdictions) as follows:

Name of Trustee	Directorships
Donald Wright	Black Bull Resources Inc. and GMP Capital Trust
Wayne McLeod	CanWest MediaWorks Income Fund, SMTC Manufacturing Corporation of Canada, Turbo Genset Inc., New Flyers Industries Inc. and New Flyers Industries Canada ULC.
Derek Ridout	The Data Group, Shoppers Drug Mart Corporation and Saxon Financial Inc.

The Board meets at least once each quarter, with additional meetings held when appropriate. The independent Trustees have the ability to hold meetings at which non-independent Trustees and members of management are not in attendance. During 2005, this occurred by the independent Trustees holding in camera sessions at the conclusion of most of the meetings, where the independent Trustees met in the absence of Mr. Glynn and other members of management. In 2005, there were 10 meetings of the Board. Overall attendance by the Trustees at the Board meetings was 95% while attendance by committee members at the committee meetings was 95%. The combined overall attendance at both the Board and committee meetings was 95%. Individual attendance at Trustee meetings and committee meetings for the year ended December 31, 2005 was as follows:

Trustee	Board of Trustees	Audit Committee	Compensation and Corporate Governance
Donald Wright	100% (10 of 10)	100% (4 of 4)	100% (2 of 2)
Wayne McLeod	80% (8 of 10)	100% (4 of 4)	50% (1 of 2)
Derek Ridout	100% (10 of 10)	n/a	100% (2 of 2)
Rami Younes ⁽¹⁾	100% (3 of 3)	100% (1 of 1)	100% (1 of 1)

(1) Mr. Younes was appointed as a Trustee on October 13, 2005.

The Chair of the Board of Trustees is Donald Wright, an independent Trustee.

Board Mandate

The Board's mandate can be found in Schedule A to this Management Information Circular.

Position Descriptions

The role of the Chair of the Board of Trustees is described in the Board of Trustees – Terms of Reference attached herewith as Schedule A to this Management Information Circular.

Individual position descriptions for the Chair of each Board committee have not been developed. However, the Board has implemented terms of reference for the Audit and the Compensation and Corporate Governance Committees which set out the fundamental duties, responsibilities and objectives of the committees. The chair of each committee has the responsibility of meeting the terms of reference of their respective committees.

The Compensation and Corporate Governance Committee has developed and approved a position description for the Chief Executive Officer. The Chief Executive Officer is responsible for the oversight of the day to day management of Richards Packaging's operations, the strategic and business plan of Richards Packaging and overseeing the quality and integrity of the management of Richards Packaging.

Orientation and Continuing Education

The Compensation and Corporate Governance Committee is responsible for establishing and administering the orientation and continuing education of Trustees and committee members. New Trustees are briefed on the role of the Board and its committees and on the Fund's structure, financial results and other aspects. Extensive documentation is provided to them to enable them to better understand the Fund and Richards Packaging. In addition, tours of the organization's facilities are conducted where appropriate.

On an ongoing basis, meetings are held regularly to keep the Board informed of developments within Richards Packaging. In addition, presentations are made and reports are provided on various aspects of Richards Packaging's operations.

Ethical Business Conduct

Richards Packaging has developed a Code of Conduct which prescribes standards of behavior in many areas relating to financial integrity, customer and supplier relations, computer security, conflicts of interest, confidential information and accuracy of books and records. The Code of Conduct applies to all employees of Richards Packaging and to Trustees. Management monitors compliance with the Code of Conduct, a copy of the Code of Conduct can be found on the Fund's website at www.richardspackaging.com and on SEDAR at www.sedar.com.

The Compensation and Corporate Governance Committee is responsible for reviewing transactions in respect of which a Trustee or senior member of management has a material interest to ensure they reflect market practices and are in the best interests of the Fund. In the case of any transaction or agreement in respect of which a Trustee has a material interest, the Trustee is required to disclose his interest to the Board.

Nomination of Directors

The Compensation and Corporate Governance Committee is comprised entirely of independent members and is responsible for the nomination of new Trustees. It is the role of the Compensation and Corporate Governance Committee to annually assess the size and composition of the Board and its committees, to review the effectiveness of the Board and recommend the addition or replacement of one or more Trustee as may be considered appropriate from time to time.

Compensation

The Trustees, acting on recommendations of the Compensation and Corporate Governance Committee, reviews the adequacy and the form of senior management's and the Trustees' compensation, as determined based on a review of the competitive marketplace, to ensure that they are current and reflective of each of their roles and responsibilities.

Other Board Committees

The Board does not have any other standing committees other than the Audit Committee and the Compensation and Corporate Governance Committee.

Assessments

The Compensation and Corporate Governance Committee conducts an annual evaluation of the effectiveness of the Board of Trustees and the respective committees. Assessments are performed through the use of Board and Trustee self assessment questionnaires and are compiled by the Chair of the Compensation and Corporate Governance Committee and reviewed with the Board.

Compensation of the Board of Trustees and the Directors and Executive Officers of Richards Canada

Compensation for Trustees of the Fund who are not officers or employees of any subsidiary of the Fund (the "Independent Trustees") is \$15,000 per Trustee per year and \$750 per Trustee for each meeting attended. The chair of the Board of Trustees is paid an additional \$20,000 per year and the chairs of the Compensation and Corporate Governance Committee and Audit Committee of the Board are each paid an additional \$15,000 per year. Compensation for Directors of Holdings, Richards Canada and Richards US who are not officers or employees of any subsidiary of the Fund is \$10,000 per Director per year and \$500 per Director for each meeting attended. The Trust Declaration provides that the Independent Trustees shall be paid reasonable remuneration for their services as the Trustees may from time to time determine (the "Compensation Amount") and in no event shall the fees payable on an annual basis by the Fund to any Independent Trustee in his or her capacity as a trustee, together with fees paid on an

annual basis to such Independent Trustee in his or her capacity as a Director of any subsidiary of the Fund, exceed the Compensation Amount for that year.

The Fund also reimburses Trustees and Directors for out-of-pocket expenses for attending meetings, and Trustees and Directors also participate in certain insurance and indemnification arrangements.

For the year ended December 31, 2005, the Fund paid or accrued \$207,500 related to annual fees and meeting attendance fees to Trustees and Directors. In addition, Richards Canada paid \$698 related to the reimbursement of out-of-pocket expenses for attending meetings.

Summary Compensation Table

The following table provides a summary of the compensation earned by the Chief Executive Officer, the Chief Financial Officer and each of the other most highly compensated executive officers (collectively the “Named Executive Officers”) of Richards Canada since April 7, 2004 (the date on which the Fund acquired Richards Canada):

Name and Principal Position	Year	Salary (\$)	Bonus ⁽¹⁾ (\$)	Other annual Compensation (\$)	Share or Units Subject to Resale Restrictions (\$)
Gerry Glynn <i>Chief Executive Officer</i>	2005	245,000	--	28,500 ⁽³⁾⁽⁴⁾	--
	2004	177,230	25,874	24,500 ⁽²⁾⁽³⁾	--
Enzio Di Gennaro ⁽⁵⁾ <i>Chief Financial Officer</i>	2005	114,423	16,500	8,000 ⁽³⁾	9,196 ⁽⁶⁾
Rocco Liscio ⁽⁷⁾ <i>Chief Financial Officer</i>	2005	85,577	--	4,227 ⁽³⁾	--
	2004	129,230	14,956	24,500 ⁽²⁾⁽³⁾	--
David Prupas <i>President and Chief Operating Officer</i>	2005	250,000	50,000	10,800 ⁽³⁾	--
	2004	184,615	50,000	23,600 ⁽²⁾⁽³⁾	--
Howard Sandys ⁽⁸⁾ <i>Vice President</i>	2005	206,731	50,000	9,000 ⁽³⁾	--
	2004	184,615	50,000	23,600 ⁽²⁾⁽³⁾	--
Joe Teufel <i>Vice President</i>	2005	140,000	--	9,000 ⁽³⁾	--
	2004	103,680	15,500	6,750 ⁽³⁾	--

- Bonus amounts were awarded for fiscal 2005 or 2004.
- Includes RRSP contribution of \$15,500 made on behalf of the Named Executive Officer.
- Includes benefit relating to car allowance.
- Includes RRSP contribution of \$16,500 made on behalf of the Named Executive Officer.
- Mr. Di Gennaro became Chief Financial Officer effective May 9, 2005.
- Value of 1,100 Units awarded under the long-term incentive program. The Units vest evenly over a three year period and are entitled to distributions paid during the period.
- Mr. Liscio resigned as Chief Financial Officer effective May 6, 2005.
- Mr. Sandys retired as Vice President effective November 1, 2005.

The amounts above represent the total amounts earned by the Named Executive Officers from all companies affiliated with Richards Packaging.

Annual Incentive Plans

Senior management, including the Named Executive Officers and other professional and managerial level employees of Richards Packaging participates in an annual incentive plan (the “AIP”), which is designed to motivate and reward the on-going efforts and successes of management and professional staff. The plan provides incentive payments by way of annual cash bonuses based on: (i) level/position; (ii) the actual individual/group performance

vs. plan in key result areas; and (iii) the financial performance of Richards Packaging. Approximately \$314,000 is payable to approximately 14 employees for 2005 under the AIP, of which approximately \$116,500 was paid to the Named Executive Officers, as indicated in the Summary Compensation Table.

The Compensation and Corporate Governance Committee sets Mr. Glynn's annual objectives and reviews his performance. The annual objectives of the other Named Executive Officers are set by the Chief Executive Officer of Richards Canada, who also reviews their performance, subject to the approval of the Compensation and Corporate Governance Committee.

Long-Term Incentive Plan

Key senior management of Richards Packaging and its affiliates are eligible to participate in the long-term incentive plan (the "LTIP"). The purpose of the LTIP is to provide eligible participants with compensation opportunities that will encourage ownership of Units, enhance Richards Packaging's ability to attract, retain and motivate key personnel and reward key senior management for significant performance and associated per Unit cash flow growth of the Fund. Pursuant to the LTIP, Richards Canada will set aside a pool of funds based upon the amount by which the Fund's per Unit distributions exceed certain per Unit distributable cash threshold amounts. A trustee under the LTIP will then purchase Units in the market with such pool of funds and will hold such Units until such time as ownership vests to each participant. The LTIP is administered by the Compensation and Corporate Governance Committee. The Board of Directors of Richards Canada or the Compensation and Corporate Governance Committee have the power to, among other things, determine: (1) those individuals who will participate in the LTIP; (2) the level of participation of each participant; and (3) the time or times when ownership of the Units will vest for each participant.

For a period of three years from April 7, 2004, the base per Unit distribution for the purposes of the LTIP will be \$1.025 per Unit per fiscal year (the "Base Distribution"), which will be pro rated for 2004. To the extent that the gross distributions per Unit (including reserves held back to fund distributions under the LTIP) ("Gross Distributions per Unit") in any of these three years exceeds the Base Distribution, the following amounts will be used to fund the LTIP:

Percentage by which Gross Distributions per Unit exceed the Base Distribution per fiscal year	Proportion of Aggregate Gross Distributions per Unit in excess of the Base Distribution available for incentive payments
Less than 5%	10%
5% or more but less than 10%	15%
10% or more	20%

The LTIP may not be amended or terminated for a period of three years from April 7, 2004, except amendments made with the consent of the affected participants, technical or administrative amendments or in certain other circumstances.

In 2005, 1,100 LTIP grants were awarded to the Chief Financial Officer. The LTIP awards vest evenly over 3 years and each grant represents one Unit. No other Named Executive Officer received any grants in 2005. There were no LTIP payouts in 2005.

No stock options or stock appreciation rights were awarded by Richards Packaging.

Employment Contracts

All the Named Executive Officers other than Joe Teufel have employment contracts that outline the terms and conditions pertaining to their employment with Richards Canada.

A summary of the material terms of each employment agreement is as follows:

The employment agreement with Mr. Glynn expires on October 31, 2010, and is automatically renewable for an indefinite term subject to the termination provisions within the agreement. This agreement provides for a base salary of \$263,500, and for eligibility to receive an annual performance-based bonus. This agreement contains non-solicitation and non-competition covenants in favour of Richards Packaging which apply during the term of Mr. Glynn's employment and for a period of 12 months following the termination of his employment, and confidentiality covenants in favour of Richards Packaging which apply indefinitely. In addition, this agreement provides that Richards Packaging may terminate Mr. Glynn at any time and without cause by providing notice to Mr. Glynn or, in lieu of notice, by paying to Mr. Glynn his base salary plus bonus accrued at that time for a six-month period.

The employment agreement with Mr. Di Gennaro expires on May 9, 2008 and is automatically renewable for an indefinite term subject to the termination provisions within the agreement. This agreement provides for a base salary of \$175,000 and eligibility to receive an annual performance-based bonus. This agreement contains non-solicitation and non-competition covenants in favour of Richards Packaging which apply during the term of Mr. Di Gennaro's employment and for a period of 12 months following the termination of his employment, and confidentiality covenants in favour of Richards Packaging which apply indefinitely. In addition, this agreement provides that Richards Packaging may terminate Mr. Di Gennaro at any time and without cause by providing notice to Mr. Di Gennaro or, in lieu of notice, by paying to Mr. Di Gennaro his base salary plus bonus accrued at that time for a six-month period.

The employment agreement with Mr. Prupas expires on October 31, 2010 and is automatically renewable for an indefinite term subject to the termination provisions within the agreement. This agreement provides for a base salary of \$263,500 and eligibility to receive an annual performance-based bonus. The agreement also contains non-solicitation and non-competition covenants in favour of Richards Packaging which apply during the term of the officer's employment and for a period of 12 months following the termination of their employment, and confidentiality covenants in favour of Richards Packaging which apply indefinitely. In addition, this agreement provides that Richards Packaging may terminate Mr. Prupas at any time and without cause by providing notice to Mr. Prupas or, in lieu of notice, by paying to Mr. Prupas his base salary plus bonus accrued at that time for a six-month period.

Composition of the Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee has the following roles and responsibilities:

- reviews and makes recommendations to the Board concerning the appointment, hiring, compensation, benefits and termination of senior officers and all other significant employees of Richards Packaging.
- annually reviews the Chief Executive Officer's goals and objectives for the upcoming year and provide an appraisal of the Chief Executive Officer's performance.
- makes recommendations concerning the remuneration of the Board.
- administers and makes recommendations regarding the operation of the LTIP.
- develops the Fund's approach to corporate governance issues,
- advises the Board in filling vacancies on the Board and periodically reviews the composition and effectiveness of the Board and the contribution of individual Trustees/Directors.

The Compensation and Corporate Governance Committee is comprised of Derek Ridout (Chair), Donald Wright, Wayne McLeod, and Rami Younes, who are all independent of management. Prior to his resignation as a Trustee of the Fund, William Ferguson was a member of the Compensation and Corporate Governance Committee. Upon the resignation of Mr. Ferguson, Mr. Younes was appointed to the Compensation and Corporate Governance Committee.

Report on Executive Compensation by the Compensation and Corporate Governance Committee

The objective of Richards Packaging's executive compensation program is to provide both short and long term rewards to senior executives that are consistent with individual and company performance and their contribution to

Richards Packaging's objectives. This includes base salaries, AIP and grants under the LTIP. Levels of compensation are established and maintained with the intent of attracting and retaining quality employees.

The base salary of each executive of Richards Packaging is determined based on the individual's level of responsibility and the individual's contribution to Richards Packaging's performance. For the year ended December 31, 2005, the base salaries were determined by the Chief Executive Officer. The AIP payments are based on Richards Packaging's achievement of financial targets or on the individual's achievement of personal goals and objectives. In 2005, there were two grants under the LTIP program for 2,200 Units as the distributions in the period exceeded certain thresholds.

Compensation matters concerning the Chief Executive Officer are approved by the Board on the recommendation of the Compensation and Corporate Governance Committee. Mr. Glynn is subject to an employment agreement with Richards Canada. In consideration for his services, Mr. Glynn receives a base salary and an annual cash bonus which is based 75% on the actual level of earnings before interest, income taxes and amortization achieved by Richards Packaging in comparison to budget and 25% on the achievement of goals and objectives related to acquisitions, working capital, human resources and financing. In addition, Mr. Glynn is eligible to participate annually in the LTIP.

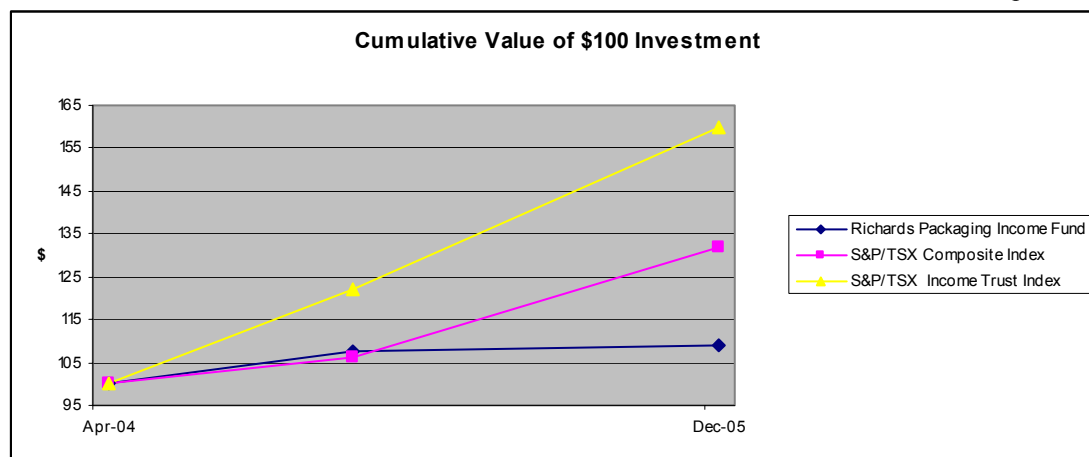
The foregoing report has been provided by the members of the Compensation and Corporate Governance Committee.

Interest of Informed Persons in Material Transactions

During 2005, certain lease agreements for properties that Richards Canada rents have been renegotiated. Mr. Prupas, who is an officer of Richards Canada, has an equity interest in companies who are landlords under leases relating to the properties located at: (1) Vancouver (Langley), British Columbia (this lease has a base rent of \$18,432 per month and expires on October 31, 2008); (2) 3115 Lenworth Drive, Mississauga, Ontario (this lease has a base rent of \$18,695 per month and expires on October 31, 2008); and (3) Toronto (Rexdale), Ontario (this lease has a base rent of \$31,140 per month and expires on October 31, 2008). Management believes that the terms of the leases are no more onerous, and the pricing is no greater, than that which would be in place under comparable commercial arrangements with third parties.

Performance Graph

The following graph compares the total cumulative return to Unitholders for \$100 invested in Units with the total cumulative return of the S&P/TSX Composite Total Return Index and the total cumulative Unitholder return of the S&P/TSX Income Trust Index for the period from April 7, 2004, when the Units were first listed for trading on the TSX, to December 31, 2005. On December 31, 2005, the Units closed at \$8.95 and \$8.35 on April 12, 2006.



Indebtedness of Trustees, Directors and Officers of Richards Packaging

No amounts are owed to the Fund or its subsidiaries by any of the Trustees or Directors, executive officers or other senior management of Richards Packaging.

Other Business

Management is not aware of any matter intended to come before the Meeting other than those items of business set forth in the attached Notice of Annual Meeting of Unitholders. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote in respect of those matters in accordance with their judgment.

Audit Committee Information

Please refer to the Fund's Annual Information Form dated March 23, 2006 under the heading "Audit Committee Information" for certain information relating to the Audit Committee of the Fund.

Additional Information

The Units are listed on the TSX under the trading symbol RPI.UN.

Financial information about the Fund is contained in its comparative financial statements and management's discussion and analysis for the fiscal year ended December 31, 2005.

Additional information relating to the Fund may be found on SEDAR at www.sedar.com. In addition, copies of the Fund's financial statements for the year ended December 31, 2005, together with the respective reports of the auditors thereon, management's discussion and analysis of the Fund's financial condition and results of operations, the current Annual Information Form (together with any documents incorporated therein by reference) and this Management Information Circular, are available upon request made to the attention of Globe and Mail Annual Report Services at 1-800-965-6199 or customerservice@wilink.com. The Fund may require the payment of a reasonable charge if a person who is not a Unitholder of the Fund makes the request.

Trustees Approval

The Board of Trustees has approved the contents and the mailing to Unitholders of this Proxy Circular.

By Order of the Board of Trustees

(Signed) *"Donald Wright"*
Trustee, Chairman of the Board
April 12, 2006

Schedule A

March 2006

Board of Trustees – Terms of Reference

Role of Board

The role of the Board of Trustees (the “Board”) is to supervise the business and affairs of Richards Packaging Income Fund (the “Fund”), which are conducted by its officers and employees under the direction of the chief executive officer (“CEO”), to enhance the long-term value of the Fund for its unitholders. The Board is elected by the unitholders to oversee management to ensure that the best interests of the unitholders are advanced by enhancing unitholder value in a manner that recognizes the concerns of other stakeholders in the Fund including its employees, suppliers, customers and the communities in which it operates. The Board should also ensure that the Fund’s capital structure is preserved and have a distribution policy that is consistent with this mandate.

Authority And Responsibilities

The Board of Trustees meets regularly to review reports by management on the performance of the Fund. In addition to the general supervision of management, the board performs the following functions:

- **Strategic planning** – overseeing the strategic planning process within the Fund and reviewing, approving and monitoring the strategic plan for the Fund including fundamental financial and business strategies and objectives;
- **Risk assessment** – assessing the major risks facing the Fund and reviewing, approving and monitoring the manner of managing those risks;
- **CEO** – developing a position description for the CEO including the corporate objectives that the CEO is responsible for meeting and selecting, evaluating and compensating the CEO;
- **Senior management** – overseeing the selection, evaluation and compensation of senior management and monitoring succession planning; and
- **Maintaining integrity** – reviewing and monitoring the controls and procedures within the Fund to maintain its integrity including its disclosure controls and procedures, its internal controls and procedures for financial reporting and compliance with its code of ethics.

In addition to those matters that must, by law, be approved by the Board, specific Board approval must be obtained for:

- Any capital disposition or expenditure in excess of \$250,000 and any cost overrun on any project in excess of \$50,000, whichever is less;
- Any new loan agreement or guarantee or any equity financings;
- Any new acquisition or divestiture; and
- Any other material agreement or arrangement that is not in the ordinary course of business of the Fund.

Composition And Procedures

Size of Board and Selection Process

The Trustees of the Fund are elected each year by the unitholders at the annual meeting of unitholders. The Compensation and Corporate Governance Committee proposes to the full Board the nominees for election and the Board proposes a slate of nominees to the unitholders for election. Any unitholder may propose a nominee for election to the Board either by means of a unitholder proposal upon compliance with the requirements prescribed by the Canada Business Corporations Act or at the annual meeting. The Board also determines the number of Trustees on the Board, subject to a minimum of three and a maximum of ten. Between annual meetings, the Board may appoint Trustees to serve until the next annual meeting.

Qualifications

Trustees should have the highest personal and professional ethics and values and be committed to advancing the best interests of the unitholders of the Fund. They should possess skills and competencies in areas that are relevant to the Fund's activities. A majority of the Trustees will be "independent Trustees" under the Canadian Securities Administrators guidelines.

Change in Personal Circumstances

The Board requires any Trustee to offer his resignation if there has been a relevant change in his personal circumstances, or if he has not attended at least 75% of the regularly scheduled Board and relevant committee meetings in the most recent twelve month period. The Board will evaluate the impact of the change on the composition of the Board and accept or reject the resignation as appropriate.

Trustee Orientation

The CEO is responsible for providing an orientation and education program for new Trustees. Each new Trustee must, within three months of becoming a Trustee, spend one day at the head office of the Fund for personal briefings by senior management on the Fund's strategic plan, major risks and other key business matters.

Meetings

The Board has at least four scheduled meetings a year. The Board is responsible for its agenda. Prior to each Board meeting, the CEO will discuss agenda items for the meeting with the Chair of the Board. Materials for each meeting will be distributed to the Trustees in advance.

The unrelated Trustees have at least four scheduled meetings a year without management present.

Committees

The Board has established two permanent committees to assist the Board in discharging its responsibilities – Audit and Compensation and Corporate Governance. Special committees are established from time to time to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each permanent committee is reviewed annually by the Board.

Evaluation

The Compensation and Corporate Governance Committee performs an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Trustees.

Compensation

The Compensation and Corporate Governance Committee recommends to the Board the compensation and benefits for non-management Trustees. In reviewing the adequacy and form of compensation and benefits, the committee seeks to ensure that the compensation and benefits reflect the responsibilities and risks involved in being a Trustee of the Fund and align the interests of the Trustees with the best interests of the unitholders.

Access to Independent Advisors

The Board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Fund. Any Trustee may, subject to the approval of the Chair of the Board, retain an outside advisor at the expense of the Fund.

Role of the Chair

The Chair is appointed by the Board of Trustees. The role of the Chair is as follow:

- Manage the business of the Board and ensure that the functions identified in the Terms of Reference of the Board are being effectively carried out by the Board and its committees;
- Ensure that all Trustees receive the information required for the proper performance of their duties;
- Ensure that the appropriate committee structure is in place and recommend appointments to such committees;
- Lead in the annual review of Trustee and Board performance and make recommendations for changes when appropriate;
- Provide overall leadership to the Board without limiting the principle of collective responsibility and the ability of the Board to function as a unit;
- Fulfilling his or her Board leadership responsibilities in a manner that will ensure that the Board is able to function independently of management. This should include ensuring that the appropriate procedures are in place for the Board to meet regularly without management present.
- Taking a leadership role in ensuring effective communication and relationships between the Fund, unitholders, and stakeholders.
- Work with the CEO and senior management to monitor progress on strategic planning, policy implementation and succession planning.

The Chair of the Board will be an independent Trustee.