

Corporate Office
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Toronto, Ontario
M9W 6V1



NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "Meeting") of the holders (the "Unitholders") of trust units of BFI Canada Income Fund (the "Fund") will be held at 10:00 a.m. (Toronto time) on April 20, 2004 at The TSX Conference Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario for the following purposes:

- (a) to receive the financial statements of the Fund for the period ended December 31, 2003 and the report of the auditors thereon;
- (b) to appoint auditors and to authorize the trustees to fix the remuneration of the auditors;
- (c) to appoint trustees;
- (d) to elect nominees of the Fund to serve as directors of BFI Canada Holdings Inc.; and
- (e) to transact such other business as may properly come before the Meeting and any and all adjournments thereof.

A management information circular and form of proxy accompany this Notice.

DATED at Toronto, Ontario this 9th day of March, 2004.

By Order of the Trustees

A handwritten signature in black ink, appearing to be "W. Chyfetz", written over a horizontal line.

William Chyfetz
Corporate Secretary, BFI Canada Holdings Inc.

Note: If you are a Unitholder and you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed form of proxy to Computershare Trust Company of Canada so as to arrive not later than 5:00 p.m. (Toronto time) on April 16, 2004 or, if the Meeting is adjourned, 48 hours (excluding weekends and holidays) before any reconvened meeting. The enclosed form of proxy may be returned by facsimile to (416) 981-9800, or by mail (a) in the enclosed envelope, or (b) in an envelope addressed to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1. Only Unitholders of record at the close of business on February 23, 2004 will be entitled to vote at the Meeting or any adjournment thereof.

MANAGEMENT INFORMATION CIRCULAR

THE FUND

BFI Canada Income Fund (the "Fund") is a limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated February 28, 2002, as amended and restated on April 15, 2002 (the "Declaration of Trust").

The Fund does not carry on any active business but rather is restricted to investing in securities, including those issued by BFI Canada Holdings Inc. (the "Company"), and carrying on the other activities permitted by the Declaration of Trust. The affairs of the Fund are supervised by its trustees (the "Trustees") who are responsible for, among other things, representing the Fund as a shareholder and noteholder of the Company and effecting payments of distributable cash from the Fund to holders (the "Unitholders") of trust units (the "Units") of the Fund.

PROXY SOLICITATION AND VOTING AT THE ANNUAL MEETING

Solicitation of Proxies

This management information circular (this "Information Circular") is furnished in connection with the solicitation of proxies by the Trustees of the Fund for use at the annual meeting (the "Meeting") of the Unitholders of the Fund to be held on April 20, 2004 at The TSX Conference Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario at 10:00 a.m., and at any adjournment thereof, for the purposes set forth in the Notice of Meeting. Proxies will be solicited primarily by mail and may also be solicited personally by employees of the Company or its subsidiaries at nominal cost. The cost of such solicitation will be borne by the Fund.

Appointment of Proxies

The persons named in the enclosed form of proxy are Trustees of the Fund. A Unitholder who wishes to appoint some other person to represent such Unitholder 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 of the Fund.

To be valid, proxies must be returned to Computershare Trust Company of Canada so as to arrive not later than 5:00 p.m. (Toronto time) on April 16, 2004 or, if the Meeting is adjourned, 48 hours (excluding weekends and holidays) before any reconvened meeting. Proxies may be returned by facsimile to (416) 981-9800, or by mail (a) in the enclosed envelope, or (b) in an envelope addressed to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.

Revocation of Proxies

A registered Unitholder who has given a proxy may revoke the proxy (a) by completing and signing a proxy bearing a later date and returning it to Computershare Trust Company of Canada in the manner and so as to arrive as described above, (b) by depositing an instrument in writing executed by the Unitholder or by the Unitholder's attorney authorized in writing (i) at the head office of the Fund at any time up to and including the last business day preceding the date of the Meeting, or any reconvened meeting, at which the proxy is to be used, or (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any reconvened meeting, or (c) in any other manner permitted by law.

Voting of Proxies

The persons named in the accompanying form of proxy will vote or withhold from voting the Units in respect of which they are appointed 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. **Where no choice is specified, the proxy will confer discretionary authority and will be voted for the appointment of the auditors and the authorization of the Trustees to fix the remuneration of the auditors, for the appointment of Trustees and for the election of nominees of the Fund to serve as directors of the Company, all as**

set out in this Information Circular. The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the Trustees know of no such amendments, variations or other matters to come before the Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, it is the intention of the persons named in the accompanying form of proxy to vote thereon in accordance with their judgment.

VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

The Fund is authorized to issue an unlimited number of Units and 26,500,000 Units were issued and outstanding as at March 9, 2004.

At the Meeting, each Unitholder of record at the close of business on February 23, 2004, the record date established for notice of the Meeting, will be entitled to one vote for each Unit held by such person, even though such Unitholder has since that date disposed of such Unitholder's Units, and no Unitholder becoming such after that time shall be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the Trustees of the Fund, as at March 8, 2004, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, Units carrying more than 10% of the votes attached to the issued and outstanding Units of the Fund, other than Guardian Capital Inc. which has advised the Fund that as at such date it exercised control or direction over 2,760,860 Units.

INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES

Only registered holders of Units or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Units of the Fund beneficially owned by a person (a "Non-Registered Holder") are registered either: (i) in the name of an intermediary (an "Intermediary") with whom the Non-Registered Holder deals in respect of the Units (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Fund will have distributed copies of the Notice, this Information Circular and the form of proxy (collectively, the "meeting materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the meeting materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the "voting instructions form") which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Units of the Fund they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

MATTERS TO BE CONSIDERED AT THE MEETING

Financial Statements

The consolidated financial statements of the Fund for the period ended December 31, 2003, together with the auditors' report thereon, are contained in the 2003 Annual Report mailed to Unitholders with this Information Circular. Such financial statements and auditors' report will be submitted to the Meeting. Receipt thereof at the Meeting will not constitute approval or disapproval of any matter referred to therein.

Appointment of Auditors

It is proposed that the firm of Deloitte & Touche LLP, Chartered Accountants, be re-appointed as auditors of the Fund, to hold office until the next annual meeting of the Unitholders or until their successor is appointed and that the Trustees be authorized to fix the remuneration of the auditors. Deloitte & Touche LLP have been the auditors of the Fund since its inception in 2002. Proxies received in favour of management's nominees will be voted FOR the appointment of Deloitte & Touche LLP, Chartered Accountants, as auditors of the Fund and the authorization of the Trustees to fix the remuneration of the auditors, unless the Unitholder has specified in the proxy that such Unitholder's Units are to be withheld from voting in respect thereof.

Deloitte & Touche LLP billed the Fund and its subsidiaries \$262,000 and \$1,431,000 for 2003 and 2002, respectively, for audit services (including matters relating to financial information in the prospectus of the Fund for its initial public offering in 2002), \$79,000 and \$362,000 for 2003 and 2002, respectively, for audit-related services (including accounting consultations and translation services) and \$108,000 and \$683,000 for 2003 and 2002, respectively, for tax compliance, tax advice and tax planning services (including matters relating to the initial public offering of the Fund in 2002).

Appointment of Trustees of the Fund and Election of Nominees of the Fund as Directors of the Company

The Declaration of Trust provides that the Fund shall have a minimum of three Trustees and a maximum of ten Trustees. The number of Trustees to be appointed at the Meeting has been fixed at six.

The Declaration of Trust provides that the Unitholders are to vote in respect of the election of nominees of the Fund to serve as directors of the Company (except to fill casual vacancies which shall be done by the other directors of the Company). The board of directors of the Company consists of a minimum of one director and a maximum of twenty directors. The number of directors of the Company has been fixed at six.

Proxies in favour of management's nominees will be voted FOR the appointment of the nominees named below as Trustees of the Fund and FOR the election of the nominees named below as nominees of the Fund to serve as directors of the Company, unless the Unitholder has, in either case, specified in the proxy that such Unitholder's Units are to be withheld from voting in respect thereof. The Trustees have no reason to believe that any of the nominees will be unable to serve as a Trustee of the Fund or as a director of the Company but, if a nominee is for any reason unavailable to serve as such, proxies in favour of management's nominees will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the Unitholder has specified in the proxy that such Unitholder's Units are to be withheld from voting in respect of the appointment of Trustees or the election of nominees of the Fund to serve as directors of the Company, as the case may be.

Each Trustee appointed will hold office until the next annual meeting or until he ceases to be a Trustee in accordance with the Declaration of Trust. The common shares of the Company held by the Fund will be voted to cause the election of the nominees chosen by vote of the Unitholders as directors of the Company. Each director elected will hold office until the next annual meeting or until his successor is elected or appointed.

The following table sets forth the names of and certain additional information for the persons proposed to be nominated for appointment as Trustees and for election as nominees to the Fund to serve as directors of the Company:

Name and Principal Occupation	Trustee Since	Ownership or Control over Units as at March 9, 2004 ⁽¹⁾
Keith A. Carrigan ⁽²⁾ President and Chief Executive Officer of the Company	February 28, 2002	489,823
Douglas W. Knight ⁽²⁾⁽⁴⁾ President and Chief Executive Officer Knight Paton Media Corporation	April 25, 2002	20,000
Daniel R. Milliard ⁽³⁾⁽⁴⁾ Chief Executive Officer Natural Convergence Inc.	April 25, 2002	1,000
T. Iain Ronald ⁽³⁾⁽⁴⁾⁽⁵⁾ Corporate Director	April 25, 2002	10,000
James Temple ⁽²⁾ Corporate Director	February 28, 2002	2,520
Joseph H. Wright ⁽³⁾ Corporate Director	October 18, 2002	10,865

NOTES:

- (1) The information as to Units beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Fund, has been furnished by the respective nominees individually.
- (2) Member of the Environmental, Health and Safety Committee of the Board of Directors of the Company. James Temple is the chair.
- (3) Member of the Audit Committee of the Board of Directors of the Company and of the Audit Committee of the Fund. Joseph Wright is the chair.
- (4) Member of the Compensation and Corporate Governance Committee of the Board of Directors of the Company. Douglas Knight is the chair.
- (5) Non-executive Chairman of the Board of Directors of the Company and of the Trustees of the Fund.

Each of the above-noted nominees has been engaged in his present principal occupation for more than five years except as follows:

Keith Carrigan has been the Chief Executive Officer of BFI Canada Inc. since June 2000. Prior to that, Mr. Carrigan was involved in the development and/or management of various non-hazardous solid waste management and recycling businesses, including holding various senior positions with Waste Management, Inc. in Canada and the United States.

Douglas W. Knight is President and Chief Executive Officer of Knight Paton Media Corporation and a founder of Impremedia LLC. Mr. Knight previously served as publisher and Chief Executive Officer of The Financial Post from 1992 to 1997, publisher and Chief Executive Officer of The Toronto Sun from 1997 to 2000 and as a managing director of Counsel Corporation from 2000 to 2001. He is a director of Alliance Atlantis Motion Picture Distribution Inc. and Impremedia LLC.

Daniel R. Milliard has been the Chief Executive Officer of Natural Convergence Inc. since December 2003. Mr. Milliard was the chief executive officer of GT Group Telecom Inc. from September 1999 to February 2003 and Vice Chairman, President and a director of Hyperion Communications (now Tel-Cove Inc.) from March 1999 to September 1999. Prior to that time, Mr. Milliard held the position of President and Chief Operating Officer of Hyperion Communications from May 1992 to March 1999.

Joseph H. Wright has been the Managing Partner of Barnagain Capital since February 2001. He was formerly Managing Partner of Crosbie & Company Inc., and prior to that he was President and Chief Executive Officer for Swiss Bank Corporation (Canada). Mr. Wright is currently the Chairman and Trustee of O&Y REIT and serves on the Boards of Directors of several Canadian companies, including Loblaw Companies Limited, President's Choice Bank, Call-Net Enterprises Inc., Hip Interactive Inc. and Sarnia Hydro/Bluewater Power. He is also a trustee of Chartwell Seniors Housing Real Estate Investment Trust.

COMPENSATION OF TRUSTEES OF THE FUND AND DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Compensation of Trustees of the Fund and Directors of the Company

Each Trustee of the Fund and director of the Company who is not a member of management of the Company, other than the Chairman, is entitled to receive an annual retainer of \$40,000 in the aggregate for serving in both capacities. The Chairman is entitled to receive an annual retainer of \$75,000. No additional fees for attending meetings are payable. The Fund also reimburses the Trustees and directors for out-of-pocket expenses for attending meetings of the Trustees and directors. At this time, there are no directors of the Company who are not also Trustees of the Fund.

During the period ended December 31, 2003, a total of \$235,000 was paid in respect of Trustees' and directors' fees. Reimbursement of expenses incurred by the Trustees/directors did not exceed \$10,000.

Compensation of Executive Officers of the Company

Under applicable securities legislation, the Fund is required to disclose certain financial and other information relating to the compensation of its chief executive officer and the Fund's four most highly compensated executive officers (other than the chief executive officer). The Fund, however, does not have officers. The executive officers of the Company are responsible for the management of the Company's business. The Summary Compensation Table below provides a summary of compensation earned by the chief executive officer and the other four most highly compensated executive officers of the Company (the "Named Executives") for the years ending December 31, 2003 and December 31, 2002. The most highly compensated executive officers were determined based on their total salary and bonus during 2003.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards
		Salary (\$)	Bonus (\$)	Other Annual Compensation ⁽¹⁾ (\$)	Value of Units To Be Purchased Under LTIP ⁽²⁾ (\$)
Keith A. Carrigan President and Chief Executive Officer	2003	402,917	199,875	8,031	Nil ⁽³⁾
	2002 ⁽⁴⁾	257,877	124,000	5,092	
Martin Irish Vice-President, Ontario and Manitoba	2003	211,150	51,664	7,462	40,978
	2002 ⁽⁵⁾	94,294	23,063	2,752	
Yves Normandin Vice-President, Quebec	2003	203,940	80,556	7,383	39,578
	2002 ⁽⁴⁾	136,159	52,800	4,315	
Joseph D. Quarin Chief Financial Officer	2003	196,917	77,500	7,362	34,981
	2002 ⁽⁴⁾	120,342	42,000	3,747	
William Chyfetz Vice-President, General Counsel and Secretary	2003	173,988	49,587	7,301	33,766
	2002 ⁽⁴⁾	116,161	33,243	3,587	

NOTES:

(1) The amounts reported in this column include contributions made in respect of the Company's Deferred Profit Sharing Plan and premiums paid for life insurance.

- (2) The BFI Long-Term Incentive Plan (the "LTIP") was established in 2003. The Company will contribute to the trust established under the LTIP the respective amounts set out in the table for the benefit of the Named Executives. The funds will be used by the trust to purchase Units in the market. See "Long-Term Incentive Plan".
- (3) Mr. Carrigan elected to waive his entitlement under the LTIP in respect of 2003 and have it allocated to the other participants in the LTIP.
- (4) Compensation earned in the period from April 25, 2002 to December 31, 2002.
- (5) Compensation earned in the period from July 22, 2002 (when Mr. Irish joined the Company) to December 31, 2002.

Bonus Plan

The Named Executives participate in the Company's bonus plan (the "Bonus Plan") which entitles senior officers to annual cash bonuses of up to 50% of their base salary based on the Company's success in achieving financial objectives and on their individual success in accomplishing the personal goals and expectations set out in their objectives for the year. The Compensation and Corporate Governance Committee of the Board of Directors of the Company (the "Compensation and Corporate Governance Committee") approves Mr. Carrigan's annual objectives and reviews his performance, subject to the approval of the Board. The annual objectives of the other Named Executives are set by the President and Chief Executive Officer, who also reviews their performance, subject to the approval of the Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee also approves the annual plan targets for the Bonus Plan.

Long-Term Incentive Plan

Directors, officers and employees of the Company and its subsidiaries selected by the Compensation and Corporate Governance Committee (the "Participants") are eligible to participate in the BFI Long-Term Incentive Plan (the "LTIP"). The purpose of the LTIP is to establish a performance-based incentive plan for senior executives, directors and officers that will align the interests of senior management with the interests of Unitholders. The LTIP is administered by the Compensation and Corporate Governance Committee which has the power, among other things, to determine those directors, officers and employees who will participate in the LTIP.

Pursuant to the LTIP, a Participant's employer may set aside funds to be determined on the basis of the Company's financial performance. The employer contributes such funds to a trust established for the purpose of holding Units pursuant to the terms of the LTIP (the "Trust"). The Trust purchases Units in the market with such funds and holds such Units in trust for each Participant. Distributions on such Units are distributed by the Trust to the Participants in the year of receipt. Upon the termination of employment of a Participant, with or without cause, or a Participant's death, disability or retirement, the Units held on such Participant's behalf (after the sale of such number of Units as may be required to fund the payment of any applicable tax deductions and other costs) are distributed by the Trust to such Participant. The amount allocated to each Participant for the purchase of Units on the Participant's behalf is approved by the Compensation and Corporate Governance Committee. Contributions to the LTIP are based upon the excess, if any, of actual earnings before interest, taxes, depreciation and amortization (EBITDA) earned in a year over the aggregate of distributions declared in the year, interest, current income taxes and maintenance capital expenditures incurred in the year. A portion of that excess is available for contribution to the LTIP. The contribution to the LTIP is computed as being 10% of the first \$3,000,000 of the excess, 15% of the next \$3,000,000 of the excess and 18% of any additional excess. The amount contributed to the LTIP in any year cannot exceed 15% of the total excess described above. For fiscal 2003 the contribution to the LTIP was approximately \$623,000. These funds will be used by the Trust to acquire Units on the open market.

Commencing in 2004, all or part of bonuses payable to employees who participate in the Bonus Plan (see "Bonus Plan") may, at the option of each employee, be contributed to the Trust to be dealt with under the terms of the LTIP. In addition, also commencing in 2004, all or part of directors' fees payable to the directors of the Company may, at the option of each director, be contributed to the Trust to be dealt with under the terms of the LTIP.

Employment Contracts

With the exception of Joseph Quarin and of William Chyfetz, all of the Named Executives are parties to employment agreements with the Company or a subsidiary thereof which outline the terms and conditions of their employment.

The Company has entered into an employment agreement with Keith Carrigan relating to his employment for a period of three years from April 25, 2002. The agreement provides for base salary and a bonus arrangement to a maximum of 50% of base salary and contains confidentiality, non-solicitation and non-competition covenants which apply during the term of employment and for a period of one year following the termination of employment. The agreement provides that Mr. Carrigan's employment may be terminated by the Company without cause if he is provided with at least 12 months' prior notice or payment of 12 months' base salary plus an amount equal to the bonus paid to him in the prior fiscal year, prorated based on the number of months of service in the year of termination. The agreement also provides that if his employment is terminated without cause or if he resigns for "good reason" after a change of control, Mr. Carrigan will be entitled to receive an amount equal to two times his then annual base salary and two times the bonus paid to him in the fiscal year of the Company immediately preceding the change in control.

The employment agreements with Yves Normandin and Martin Irish provide for base salary and bonus arrangements. They also provide for restrictions on the use of confidential information by the employee and contain non-solicitation and non-competition covenants which apply during the term of employment and for a period of one year following the termination of employment. The agreement with Martin Irish provides that Mr. Irish's employment may be terminated by the Company without cause until July 2007 by giving six months' written notice or compensation in lieu thereof, and thereafter by giving one year's written notice or compensation in lieu thereof. The agreement also provides that if he resigns for "good reason" after a change of control, Mr. Irish will be entitled to receive an amount equal to his then annual base salary.

EXECUTIVE COMPENSATION REPORT

Composition of the Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee assists the Board of Directors of the Company in determining and administering the compensation for the senior officers of the Company and its subsidiaries. The Compensation and Corporate Governance Committee is comprised of three Board members, all of whom are outside directors who are unrelated to the Company: Messrs. Knight (Chair), Milliard and Ronald. No member of the Compensation and Corporate Governance Committee is an officer, employee or former officer or employee of the Company or any of its affiliates.

Report on Executive Compensation by the Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee's executive compensation philosophy is guided by its objective to obtain and retain executives critical to the success of the Company and the enhancement of Unitholder value.

The Company's compensation program for senior management is composed of base salary, bonus and long-term incentive plan rewards. Compensation is set at competitive market levels, designed to attract and retain an outstanding executive team, with bonuses based on performance and long-term incentives designed to align the interests of management with the creation of Unitholder value. The annual bonus payments are based on the achievement by the Company of financial targets and on the achievement by the individual of personal goals and objectives. Senior management also participate in the LTIP described under "Compensation of Trustees of the Fund and Directors and Executive Officers of the Company — Long-Term Incentive Plan."

Each officer's performance and related salary level, annual bonus target and amount of Units to be purchased under the LTIP are reviewed and approved annually by the Compensation and Corporate Governance Committee. The existing arrangements (subject to ordinary course general annual base salary increases) have remained unchanged since the closing of the Fund's initial public offering on April 25, 2002, except that the LTIP, which was contemplated at that time, was implemented in 2003.

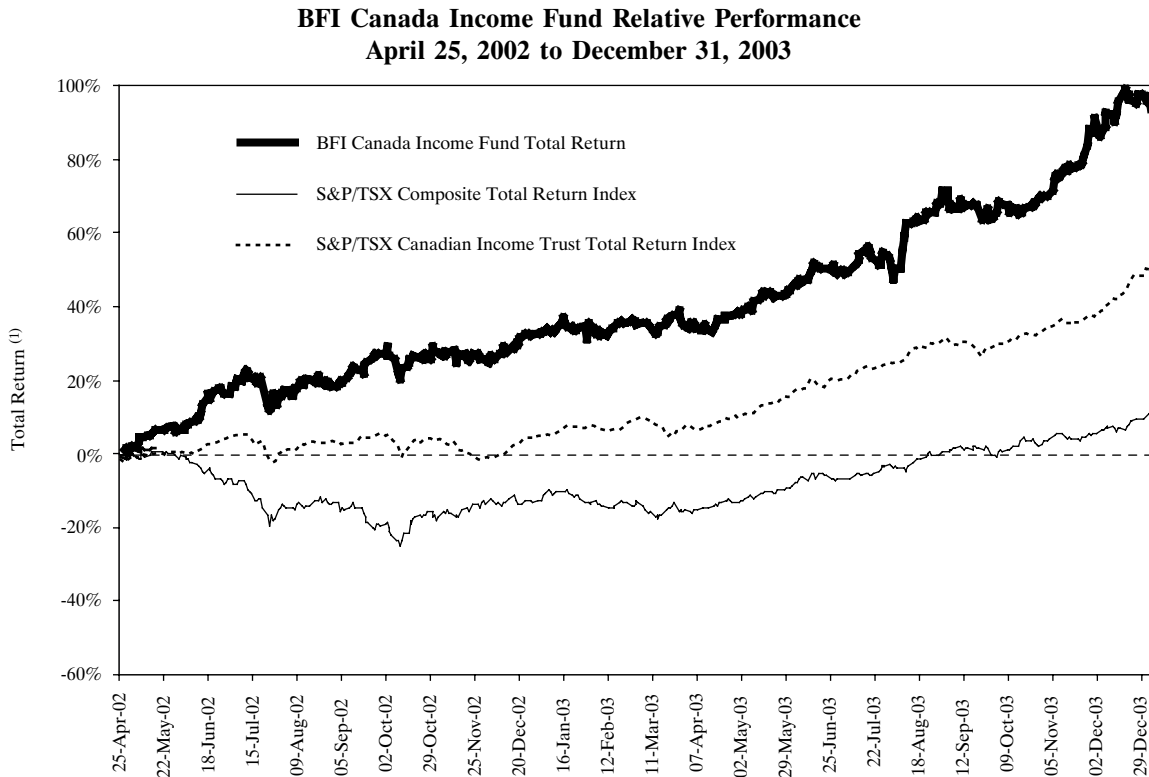
Compensation matters relating to the senior officers are approved by the Board of Directors on the recommendation of the Compensation and Corporate Governance Committee.

The foregoing report is submitted by:

Douglas Knight
 Daniel Milliard
 T. Iain Ronald

PERFORMANCE GRAPH

The following graph compares the total cumulative return to Unitholders on an investment in Units of the Fund with the total cumulative return of the S&P/TSX Composite Total Return Index and the total cumulative return of the S&P/TSX Canadian Income Trust Total Return Index for the period from April 25, 2002, when the Units were listed for trading on the Toronto Stock Exchange, to December 31, 2003. Assuming reinvestment of distributions, \$100 invested in the Fund on April 25, 2002 was worth \$193 on December 31, 2003.



(1) Total Return includes reinvestment of dividends or distributions

Source: National Bank Financial

DIRECTORS AND OFFICERS INSURANCE

The Fund has policies of insurance for the Trustees of the Fund and the directors and officers of the Company and its subsidiaries.

The aggregate limit of liability applicable to those insured directors and officers under the policies is \$20 million, inclusive of costs to defend claims. Under the policies, the Company will have reimbursement coverage to the extent that it has indemnified the directors and officers in excess of the deductible of \$100,000 for each loss. The policies include coverage for claims under securities laws and insurance against any legal obligations to pay on account of any such claims.

For the period from January 1, 2003 to December 31, 2003, the total premium paid on the policies was \$232,819. Because the policies are subject to aggregate limits of liability, the amount of coverage may be diminished or exhausted by any claims made thereon. Also, continuity of coverage is contingent upon the availability of renewal insurance, or of replacement insurance without a retroactive date so not to limit coverage for prior wrongful acts.

INDEBTEDNESS OF TRUSTEES OF THE FUND AND DIRECTORS AND OFFICERS OF THE COMPANY

None of the Trustees of the Fund or the directors, executive officers or senior officers of the Company, or any associate of any of the foregoing, is, or at any time since January 1, 2003 has been, indebted to the Fund or any of its subsidiaries. None of the indebtedness of any such person to another entity is, or has been at any time since January 1, 2003, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Fund or any of its subsidiaries.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

The Trustees are not aware of any material interest, direct or indirect, of any insider of the Fund, any proposed nominee for appointment as a Trustee or for election as a nominee of the Fund to serve as a director of the Company, or any associate or affiliate of such insider or proposed nominee, in any transaction since January 1, 2003 or in any proposed transaction which has materially affected or would materially affect the Fund or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The following description of corporate governance practices of the Fund is made with reference to the guidelines for effective corporate governance issued by the Toronto Stock Exchange (the "Guidelines").

As a result of the structure of the Fund, the following addresses the Guidelines in relation to the respective roles of the Trustees of the Fund and the Board of Directors of the Company (the "Board of Directors"). The Fund does not carry on any active business and the powers of the Trustees relate only to the assets and activities of the Fund and are limited to those matters set out in the Declaration of Trust. The Board of Directors supervises the management of the business and affairs of the Company. At this time, the Trustees of the Fund and the directors of the Company are the same individuals.

1. **Trustees.** The Fund is a limited purpose trust established to hold securities of the Company. The Trustees are responsible for, among other things:
 - acting for, voting on behalf of and representing the Fund as a shareholder and noteholder of the Company;
 - maintaining records and providing reports to Unitholders;
 - supervising the activities of the Fund;
 - effecting payments of distributable cash from the Fund to Unitholders; and
 - voting in favour of the Fund's nominees to serve as directors of the Company.

The Trustees discharge their responsibilities directly and through the Audit Committee of the Trustees.

The mandate of the Audit Committee of the Trustees includes reviewing the financial statements of the Fund and other financial information issued by the Fund and recommending the approval thereof to the Trustees, reviewing the financing plans and objectives of the Fund, meeting with the external auditors, reviewing the adequacy of internal controls over the accounting and financial reporting systems within the Fund and its operating subsidiaries, reviewing any non-audit related services provided by the external auditors and assessing the impact thereof on the independence of the external auditors. The complete mandate of the Audit Committee of the Trustees is set out in Schedule "A" to this Information Circular. This mandate is being reviewed in light of new requirements of securities regulatory authorities relating to audit committees which will apply to the Fund in 2005.

Board of Directors. The Board of Directors is responsible for supervising the management of the business and affairs of the Company. The mandate of the Board of Directors, in which it is assisted by its committees, includes the following responsibilities:

- the adoption of a strategic planning process;
- the identification of the principal risks of the Company’s business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy; and
- the integrity of the Company’s internal controls and management information systems.

The Board of Directors discharges its responsibilities directly and through its Audit Committee, Compensation and Corporate Governance Committee and Environmental, Health and Safety Committee.

The mandate of the Audit Committee of the Board of Directors is similar to the mandate of the Audit Committee of the Trustees.

The mandate of the Compensation and Corporate Governance Committee includes annually reviewing and recommending to the Board of Directors for approval the remuneration of the senior executives, annually reviewing the Chief Executive Officer’s goals and objectives and providing an appraisal of the Chief Executive Officer’s performance, reviewing and reporting to the Board of Directors annually on the appropriateness of the organizational structure of the Company and plans for the succession of the senior executives, reviewing and recommending to the Board of Directors for its approval the remuneration of the directors of the Company who are not employees, identifying and proposing from time to time new nominees as directors of the Company, comparing periodically the remuneration of the senior executives with the remuneration practices of similar companies in similar industries, annually reviewing plans and policies for recruiting, developing and motivating executives of the Company and its subsidiaries, administering all matters relating to the Company’s long-term incentive plan and employee bonus plan, establishing an orientation and education program for new recruits as directors of the Company, monitoring the Company’s compliance with strategic planning matters, including the adoption of a strategic planning process, implementing a process for assessing the composition of the Board of Directors, the effectiveness of the directors and the committees of the directors and the contribution of individual directors and developing the Company’s approach to corporate governance issues, including monitoring the appropriateness of implementing structures to ensure that the directors can function independently of management.

The mandate of the Environmental, Health and Safety Committee includes reviewing and recommending to the Board of Directors for approval environmental and occupational health and safety policies, standards, accountabilities and programs and commissioning and reviewing reports, including external audits, on the nature and extent of compliance or any non-compliance with environmental and occupational health and safety policies, standards and applicable legislation and plans to correct deficiencies, if any.

2. There are currently six Trustees of the Fund and six directors of the Company, all of whom, other than Keith Carrigan, the President and Chief Executive Officer of the Company, are “unrelated” as defined in the Guidelines. As noted above, at this time the six Trustees and directors are the same individuals. The Fund does not have a “significant shareholder” as defined in the Guidelines.
3. The Trustees concluded that each of the individuals who are Trustees and directors, other than Mr. Carrigan, is “unrelated” as defined in the Guidelines, as each is independent of management and free from any interest in any business or other relationship which could, or could reasonably be perceived to, materially interfere with his ability to act with a view to the best interests of the Fund or the Company, other than interests and relationships arising from shareholding.
4. The Compensation and Corporate Governance Committee is responsible for assisting the Board of Directors in filling board vacancies and assessing directors on an ongoing basis. The Compensation and

Corporate Governance Committee is comprised entirely of outside directors who are “unrelated” as defined in the Guidelines.

5. The mandate of the Compensation and Corporate Governance Committee includes implementing a process for assessing the effectiveness of the directors and the committees of the directors and the contribution of individual directors. The first such review is planned for 2004.
6. New Trustees and directors receive a binder of materials relating to their responsibilities. They are introduced to the business of the Company through meetings with senior management and are provided on an ongoing basis with materials concerning the Company and its industry. The Board of Directors has determined that one meeting each year will be held at a facility of the Company outside of Toronto, at which time the directors will have a tour of the facility and meet its management. Directors are also encouraged to tour Company facilities at any time.
7. The Trustees and the Board of Directors are satisfied that the current number of Trustees and directors is appropriate. The periodic review of the size of the Board of Directors is included in the mandate of the Compensation and Corporate Governance Committee.
8. The Compensation and Corporate Governance Committee is responsible for periodically reviewing the compensation of the directors. Factors such as time commitment, risks and responsibilities and fees paid to trustees and directors of comparable publicly-traded entities are considered in determining remuneration.
9. The Audit Committees of the Trustees and the Board of Directors and the Compensation and Corporate Governance Committee are each comprised of three directors, all of whom are outside directors who are “unrelated” as defined in the Guidelines. The Environmental, Health and Safety Committee is comprised of three directors, two of whom are outside directors who are “unrelated” as defined in the Guidelines. The third director on the Environmental, Health and Safety Committee is Mr. Carrigan.
10. The Compensation and Corporate Governance Committee is responsible for developing the Board of Directors’ approach to corporate governance, including implementing structures to ensure that directors can function independently of management.
11. The goals and objectives of the President and Chief Executive Officer and the senior management team have been reviewed by the Board of Directors. It is intended that these roles will be reviewed annually. The Board of Directors is provided with an opportunity to discuss the performance of management, both with and without the presence of the President and Chief Executive Officer, at the conclusion of every regularly scheduled meeting of the Board of Directors.
12. The Trustees and the Board of Directors have determined that they should have a chairman who is not a member of management. T. Iain Ronald, who is not a member of management, has been non-executive Chairman of the Trustees and the Board of Directors since May 9, 2003.
13. As noted above, the Audit Committees of the Trustees and the Board of Directors are comprised entirely of outside directors all of whom are “unrelated” as defined in the Guidelines. The mandate of each Audit Committee specifically defines the responsibilities of the Audit Committee and its members. The external auditors of the Fund are invited to attend all meetings of the Audit Committees, and Audit Committee members are afforded the opportunity to communicate with the external auditors without the presence of management.
14. An individual Trustee or director may engage an outside advisor at the expense of the Company, subject to the approval of the Compensation and Corporate Governance Committee.

ADDITIONAL INFORMATION

The Fund will provide to any person, upon request to the Corporate Secretary of the Company, a copy of:

- (a) the Fund’s current annual information form, together with any document, or the pertinent pages of any document, incorporated therein by reference;

(b) the Fund's most recently filed annual financial statements, together with the accompanying report of the auditor, and any interim financial statements of the Fund that have been filed for any period after the end of the Fund's most recently completed financial year; and

(c) this Information Circular

provided that the Fund will require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Fund.

APPROVAL OF TRUSTEES

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

By Order of the Trustees

A handwritten signature in black ink, appearing to be 'W. Chyfetz', written over a horizontal line.

William Chyfetz
Corporate Secretary, BFI Canada Holdings Inc.

Toronto, Ontario
March 9, 2004

Schedule "A"

The mandate of the Audit Committee of the Trustees is as follows:

- (a) to review and recommend to the Trustees for approval:
 - (i) the audited financial statements of the Fund and the management discussion and analysis contained therein;
 - (ii) all financial information in any annual reports, prospectuses and other offering memoranda of the Fund;
 - (iii) interim quarterly and year-end financial statements required to be released to Unitholders of the Fund by regulatory authorities; and
 - (iv) press releases relating to quarterly and year-end financial results of the Fund;
- (b) to review with management of the Fund's operating subsidiaries ("Management") all significant variances between comparative reporting periods in any financial statements of the Fund, including variances in forecasted financial information from actual results which may have been included in any public documents of the Fund;
- (c) to review with Management and report to the Trustees on any financing plans and objectives of the Fund;
- (d) to meet with the external auditors and report to the Trustees on such meetings;
- (e) to review the recommendations of senior Management as to the reappointment or appointment of external auditors and make recommendations to the Trustees with respect to the nomination and remuneration of external auditors to be appointed at each annual meeting of Unitholders of the Fund; if a change in external auditors is proposed, the committee shall enquire as to the reason for the change, including the response of the incumbent auditors, and enquire as to the qualifications of the newly proposed auditors before making its recommendation to the Trustees;
- (f) to review the audit plans of the external auditors of the Fund including the degree of coordination in those plans and enquire as to the extent the planned audit scope can be relied upon to detect weaknesses in internal controls;
- (g) to review with the external auditors their recommendations for strengthening internal controls as well as the response of Management to these recommendations;
- (h) to review Management programs and policies regarding the adequacy and effectiveness of internal controls over the accounting and financial reporting systems within the Fund and its operating subsidiaries;
- (i) to review with Management any plans regarding changes in accounting practices or policies and the financial impact thereof and review any major areas of Management's judgment and estimates that have significant effect upon the financial statements;
- (j) to review with Management, the external auditors and if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a material adverse effect upon the financial position or operating results of the Fund and its operating subsidiaries, and the manner in which these matters have been disclosed in the financial statements;
- (k) to review any non-audit related services provided by the external auditors and the fees related thereto and assess the impact of such non-audit related services on the independence of the external auditors;
- (l) to review and approve the external auditors' fees; and
- (m) to monitor the integrity of the Fund's internal controls and management information systems.