

**PLAZACORP RETAIL PROPERTIES LTD.  
MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL MEETING OF  
SHAREHOLDERS TO BE HELD  
ON APRIL 12, 2006**

**Shareholders who do not hold their common shares in their own name as registered shareholders, should read the information under the heading “Advice to Beneficial Shareholders” for an explanation of their rights.**

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Plazacorp Retail Properties Ltd. (the “Corporation”) for use at the Annual Meeting of holders of common shares (“Common Shares”) of the Corporation (the “Meeting”) to be held in the Petitcodiac Room of the Lord Beaverbrook Hotel, 659 Queen Street, Fredericton, New Brunswick on Wednesday, April 12, 2006, at 10:00am (local time) and any adjournment thereof. The information contained herein is as of February 21, 2006 unless otherwise stated.

**SOLICITATION OF PROXIES**

The solicitation of proxies will be primarily by mail but proxies may also be solicited personally or by telephone by regular employees of the Corporation without special compensation or by such agents as the Corporation may appoint. The cost of solicitation will be borne by the Corporation. The Corporation may also pay brokers or nominees holding Common Shares in their names or in the names of their principals for their reasonable expenses in sending solicitation materials to their principals.

To be effective, proxies in relation to the Meeting must be received by CIBC Mellon Trust Company, Corporate Trust Department, 600 The Dome Tower, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1 no later than 48 hours before the Meeting or any adjournment thereof.

**RECORD DATE**

The Corporation will prepare a list of Shareholders of record at the close of business on February 22, 2006 (the “Record Date”). A holder of Common Shares of the Corporation (“Shareholder”) named on that list will be entitled to vote the Common Shares then registered in such holder’s name, except to the extent that (a) the holder has transferred the ownership of any of his Common Shares after that date, and (b) the transferee of those Common Shares produces a properly endorsed share certificate, or otherwise establishes that he owns the Common Shares, and demands not later than the close of business, ten (10) days before the Meeting, that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

Holders of Common Shares are entitled to one vote at the meeting for each Common Share held, except as otherwise provided herein.

**APPOINTMENT AND REVOCATION OF PROXIES**

**A Shareholder has the right to appoint a person (who need not be a Plazacorp Shareholder), other than persons designated in the form of proxy accompanying this Circular, as nominee**

**to attend at and act for and on behalf of such Shareholder at the Meeting**, as the case may be, and may exercise such right by inserting the name of such person in the blank space provided on the form of proxy applicable to that meeting. **If a Shareholder appoints a person designated in the form of proxy as nominee and does not direct the said nominee to vote in favour of or against, or to vote or withhold from voting on, as the case may be, any matter or matters with respect to which an opportunity was given to specify how the Common Shares registered in the name of such Shareholder may be voted, the proxy shall be voted in favour of such matter or matters.**

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to CIBC Mellon Trust Company, Corporate Trust Department, 600 The Dome Tower, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1 no later than 48 hours before the Meeting or any adjournment thereof.

### **Revocation of Proxies**

Proxies given by Shareholders for use at the Meeting may be revoked at any time prior to their use. Subject to compliance with the requirements described in the following paragraph, the giving of a proxy will not affect the right of a Shareholder to attend and vote in person at the relevant meeting.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the security holder or his attorney duly authorized in writing, or, if the security holder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized and deposited either at the offices of CIBC Mellon Trust Company, Corporate Trust Department at the aforesaid address, at any time up to and including 4:30 p.m. on the last business day preceding the day of such meeting, or any adjournment thereof, at which the proxy is to be used, or, with the Chairman at the relevant meeting on the day of such meeting or any adjournment thereof, and upon any such deposit, the proxy is revoked.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If the Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's own name on the records of the Corporation. Such Common Shares will more likely be registered in the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of shares are registered in the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Applicable regulatory policy requires brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every broker has its own mailing procedures

and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. In certain cases, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the Proxy provided to Registered Shareholders, however, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Beneficial Shareholders fall into two categories - those who object to their identity being made known to the issuers of securities which they own ("Objecting Beneficial Owners", or "OBOs") and those who do not object to their identity being made known to the issuers of the securities they own ("Non-Objecting Beneficial Owners", or "NOBOs"). Subject to the provisions of National Instrument 54-101- Communication with Beneficial Owners of Securities of Reporting Issuers ("NI 54-101") issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBOs.

The Corporation's OBOs can expect to be contacted by their brokers or their broker's agents as set out above.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

All references to Shareholders in this Circular and the accompanying form of Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered Shareholders who produce proof of their identity.

### **VOTING OF PROXIES**

The persons named in the enclosed form of proxy have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the Shareholder who appointed them. Each Shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the proxy form.

Shares represented by properly executed proxy forms in favour of the person designated on the enclosed form will be voted for, against or withheld from voting (as the case may be), in accordance with the instructions given on the proxy forms. In the absence of such instructions, such Common Shares will be voted "FOR" the re-election as Directors of those nominees of Management listed in the Circular, "FOR" the re-appointment of KPMG LLP Chartered Accountants as auditors of the Corporation, and "FOR" the ratification of the Corporation's Stock Option Plan.

The enclosed proxy form confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with

respect to any other matters which may properly come before the Meeting. As at February 21, 2006, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation has authorized share capital consisting of an unlimited number of Common Shares without nominal or par value, of which 39,355,549 Common Shares are issued and outstanding and 1,623,334 Common Shares are reserved for the issuance on the exercise of directors', management, employees' and agent's stock options as of February 21, 2006. In addition, the Corporation is authorized to issue an unlimited number of preferred shares, none of which are currently issued.

The following table lists those persons and companies who own of record or are known to the Corporation to own beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation as at February 21, 2006.

Name	Number of Shares owned	Percentage of Total Shares Outstanding
Earl Brewer	5,365,733	13.6% (1)
Michael Zakuta	8,532,709	21.7% (2)
Richard Hamm	6,074,865	15.4% (3)

(1) Earl Brewer, Chairman of the Corporation, owns 5,365,733 Common Shares (13.6%) either directly or indirectly through his controlling or proportionate share interest in other registered Shareholders of the Corporation, including Berak Investments Ltd. Berak Investments Ltd. holds 4,745,470 Common Shares or 12.1%.

(2) Michael Zakuta, President and Chief Executive Officer of the Corporation, owns or controls beneficially 8,532,709 (21.7%) Common Shares either directly or indirectly through his controlling or proportionate share interest in other registered Shareholders of the Corporation, including Les Immeubles Plaza Z-Corp Inc. Les Immeubles Plaza Z-Corp Inc. holds 6,052,251 Common Shares or 15.4%.

(3) Richard Hamm, former President and Chief Executive Officer of the Corporation, owns 6,074,865 Common Shares (15.4%) either directly or indirectly through his controlling or proportionate share interest in other registered Shareholders of the Corporation.

### **MATTERS TO BE ACTED UPON AT THE MEETING**

#### **1. Election of Directors:**

Action is to be taken at the meeting with respect to the election of directors. The Board of Directors presently consists of seven (7) members. These directors will hold office until the end of the Meeting or until a successor is elected or appointed. It is proposed that at the Meeting the Shareholders of the Corporation that seven (7) directors be re-elected to hold office until the next annual meeting or until their successors are elected or appointed.

It is the intention of the management designees, if named as proxy, to vote for the re-election of the following persons to the Board of Directors unless otherwise directed. If for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting on the election of directors.

Under cumulative voting, applicable to the Corporation as provided in the *Business Corporations Act* (New Brunswick) (the “NB BCA”), each holder of Common Shares entitled to vote for the election of Directors may cast a number of votes equal to the number of votes attached to the Common Shares held by that Shareholder multiplied by the number of Directors to be elected (up to seven), and the Shareholder may cast all votes in favour of one candidate or distribute them among the candidates in any manner.

Where a Shareholder has voted for more than one candidate without specifying the distribution of votes among candidates, the Shareholder will be deemed to have divided the votes equally among the candidates for whom the Shareholder voted.

On any ballot that may be called for the election of Directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled equally among all the proposed nominees whose names are set forth below, unless the Shareholder who has given the proxy has directed that the Common Shares be withheld from voting in the election of Directors. If a Shareholder desires to distribute votes otherwise than equally among the nominees for whom the Shareholder has directed persons in the enclosed form of proxy to vote, the Shareholder must do so personally at the Meeting or by another acceptable form of proxy.

If there are only seven nominees, management intends to request the Shareholders to pass a resolution permitting all the nominees whose names are set forth in the table below to be elected by a single resolution. In such event, the persons named in the enclosed form of proxy intend to rely on the discretionary authority granted to vote for such a resolution.

**Unless the Shareholder specifies in the enclosed form of proxy that the Common Shares represented by the proxy are to be withheld from voting in the election of Directors, the person named in the form of proxy shall vote the Common Shares represented by the proxy in favour of the re-election of the persons whose names are set forth below.**

The following information relating to the nominees as directors is based partly on the Corporation’s records and partly on information received by the Corporation from the nominees, and sets forth the name and municipal address of each of the persons proposed to be nominated for election as a director, their current principal occupation, all other positions and offices in the Corporation held by him or her, the year in which they were first elected a director and the number of Common Shares of the Corporation that they have advised are beneficially owned, directly or indirectly, or over which they exercise control or direction.

Directors	Position Presently Held	Principal Occupation	Director Since	Common Shares Beneficially Owned or controlled as February 21, 2006
Earl A. Brewer, Fredericton, New Brunswick (3)	Chairman and Director	Chairman, Plazacorp Retail Properties Ltd. and Plaza Atlantic Limited, Chairman of Greenarm Management Ltd., and Secretary and Principal of Greenarm Corporation.	Incorporation	5,365,733 (13.6%) (4)
Richard Hamm, Toronto, Ontario (2) (3)	Former President and CEO and Director	Former President and Chief Executive Officer of Plazacorp Retail Properties Ltd, Principal of Stepp Three Holdings Ltd. and Partner in Bluewater/Chescott Investment Management Ltd.	Incorporation	6,074,865 (15.4%) (5)

Michael A. Zakuta, Beaconsfield, Quebec (3)	President & CEO and Director	President and Chief Executive Officer of Plazacorp Retail Properties Ltd. and Plaza Atlantic Limited. Real estate developer and entrepreneur since 1986 through various private companies of which he is a principal shareholder and officer.	Incorporation	8,532,709 (21.7%) (6)
Stephen Johnson, Toronto, Ontario (1) (2)	Director	President and CEO of Canadian Real Estate Investment Trust.	Incorporation	175,000 (<1%) (7)
Edouard F. Babineau, Charlottetown, Prince Edward Island (1)	Director	President and CEO of Babineau Holdings Ltd.	April 21, 2004	83,333 (<1%) (8)
Willard J. L'Heureux, Toronto Ontario (1) (2)	Director	Chairman of A' Postrophe Capital Partners Ltd.	April 21, 2004	322,916 (<1%)
Barbara Trenholm, FCA Fredericton, New Brunswick (1)	Director	Professor at the University of New Brunswick Faculty of Administration. Board member of Atomic Energy of Canada and Canadian Institute of Chartered Accountants. Member of the Institute of Corporate Directors.	March 1, 2005	10,130 (<1%)

**Notes:**

- (1) Member of the Audit Committee, being an independent director and considered to be financially literate
- (2) Member of the Governance and Compensation Committee
- (3) Member of the Investment Committee
- (4) Earl Brewer, Chairman of the Corporation, owns 5,365,733 Common Shares (13.6%) either directly or indirectly through his controlling or proportionate share interest in other registered Shareholders of the Corporation, including Berak Investments Ltd. Berak Investments Ltd. holds 4,745,470 Common Shares or 12.1%. Earl Brewer also owns or controls an investment in various series of Plazacorp Convertible Debentures which may be convertible to 75,000 Common Shares at any time.
- (5) Richard Hamm, former President and Chief Executive Officer of the Corporation, owns 6,074,865 Common Shares (15.4%) either directly or indirectly through his controlling or proportionate share interest in other registered Shareholders of the Corporation. Richard Hamm also owns or controls an investment in various series of Plazacorp Convertible Debentures which may be convertible to 166,666 Common Shares at any time.
- (6) Michael Zakuta, President and Chief Executive Officer of the Corporation, owns or controls beneficially 8,532,709 Common Shares (21.7%) either directly or indirectly through his controlling or proportionate share interest in other registered Shareholders of the Corporation, including Les Immeubles Plaza Z-Corp Inc. Les Immeubles Plaza Z-Corp Inc. holds 6,052,251 Common Shares or 15.4%.
- (7) Stephen Johnson owns or controls an investment in various series of Plazacorp Convertible Debentures which may be convertible to 96,875 Common Shares at any time.
- (8) Edouard Babineau owns or controls an investment in various series of Plazacorp Convertible Debentures which may be convertible to 312,500 Common Shares at any time.

**2. Appointment of Auditors:**

The Board of Directors and the management of the Corporation propose that the firm of KPMG LLP Chartered Accountants be re-appointed as auditors of the Corporation to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the Audit Committee of the Board of Directors of the Corporation. KPMG LLP Chartered Accountants have been the auditors of the Corporation since their appointment at the annual shareholder's meeting held on April 21, 2004.

The Corporation is relying upon the exemption under Section 6.1 of National Instrument 52-110 in respect of auditor-related disclosures. The Corporation has not relied upon exemptions under Section 2.4 or Part 8 of the Instrument.

The Corporation's Audit Committee Charter can be found on the Corporation's website at [www.plaza.ca](http://www.plaza.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board of Directors has adopted all recommendations of the Audit Committee on the appointment and compensation of the external auditor.

### **Audit Committee Pre-Approval Policy**

The Corporation and its subsidiaries will not engage its auditors for any prohibited service as defined by regulation. The Audit Committee will consider the pre-approval of permitted services to be performed by the external auditor in each of the following broad categories:

A. *Audit Services*

The Audit Committee will pre-approve all Audit Services provided by the auditor through their recommendation of the firm as shareholders' auditors at the Corporation's annual meeting and through the Audit Committee's review of auditor's annual Audit Plan.

B. *Pre-Approval of Audit Related, Tax and Other Non-Audit Services*

Periodically, the Audit Committee updates a list of Pre-Approved Services and pre-approves services that are recurring or otherwise reasonably expected to be provided. The Audit Committee will be subsequently informed quarterly of the services on the attached list for which the auditor has been actually engaged. Any additional requests for pre-approval will be addressed on a case-by-case specific engagement basis as described below.

The Corporation's employee requiring a service will submit the request to the Chief Financial Officer. The request for service includes a description of the service, the estimated fee, a statement that the service is not a Prohibited Service and the reason the auditor is being engaged.

For services, where the aggregate fees are estimated to be less than or equal to \$10,000, recommendations, in respect of each engagement, will be submitted by the Chief Financial Officer to the Chairperson of the Audit Committee for consideration and approval. The full Audit Committee will subsequently be informed of the service, at its next meeting. The engagement may commence upon approval of the Chairperson. For services, where the aggregate fees are estimated to be greater than \$10,000, recommendations, in respect of each engagement, will be submitted by the Chief Financial Officer to the full Audit Committee for consideration and approval, generally at its next meeting or at a special meeting called for the purpose of approving such services. The engagement may commence upon approval of the full Committee.

## **Auditor Fees – Fiscal Year Ending October 31, 2005 and 2004**

The fees billed to the Corporation by KPMG LLP are as follows:

	<u>2005</u>	<u>2004</u>
Fees billed for audit services	\$151,002	\$79,304
Fees billed for audit related services (reviews of subsidiary corporations and joint-ventures)	23,295	8,650
Fees billed for non-audit services (accounting policy reviews and transaction assistance)	<u>4,700</u>	<u>6,001</u>
<b>TOTAL</b>	<b>\$178,997</b>	<b>\$93,955</b>

**Unless the Shareholder specifies in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld from voting for the appointment of auditors, the persons named in the enclosed form of proxy shall vote the Common Shares represented by the proxy in favour of the reappointment of KPMG LLP Chartered Accountants as auditors of the Corporation to hold office until the close of the annual meeting of Shareholders next following the Meeting and to authorize the Audit Committee of the Board of Directors to fix the auditors' remuneration.**

### **3. Approval of the Stock Option Plan:**

The Corporation received formal approval by its Shareholders of its revised Stock Option Plan at the Corporation's most recent Annual and Special Meeting in 2005. Because the Plan is a "rolling" stock option plan, the Corporation is required to seek approval of the Plan on an annual basis from its Shareholders in accordance with the requirements of the TSX Venture Exchange, Policy 4.4, para. 2.9(b).

#### ***Description of the Plan***

The principal features and terms of the Plan are as follows:

- (1) The Plan is a "rolling" stock option plan. This means that the aggregate number of Common Shares which may be subject to option at any one time may not exceed 10% of the issued shares of the Corporation as of that date. This also means that, if options that are outstanding under the Plan are exercised, additional options can be granted so long as the total, with the new options, does not exceed 10% of the issued Common Shares of the Corporation on that date. Given the nature of a "rolling" stock option plan, the Corporation is required to seek Shareholder approval of the Plan at each annual shareholders' meeting;
- (2) When the options are exercised, their exercise price may not be less than the discounted market price (as defined under the Policies of the TSX Venture Exchange);
- (3) Options may not be granted to any one optionee which would exceed 5% of the issued Common Shares of the Corporation in any 12 month period;
- (4) No more than 2% of the issued Common Shares of the Corporation may be optioned at any one time to consultants or investor relations agents of the Corporation;
- (5) Options may not be granted for a term exceeding 5 years if the Corporation is a Tier 2 issuer and 10 years if the Corporation is a Tier 1 issuer (the Corporation is currently a Tier 2 issuer);
- (6) Options granted under the Plan may not be assigned by the optionees;

- (7) If the optionholder ceases to be a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates or of a company providing management services to the Corporation, the option granted to the optionholder may be exercised only within 90 days next succeeding the date the optionholder ceased to be a director, officer, employee or consultant, to the extent that the optionholder was entitled to exercise it at the date of such cessation. If the person was engaged in investor relations activities, the options will expire 30 days after such person ceases to be employed to provide investor relations services;
- (8) In the event of death of an optionholder, the options previously granted to the optionholder shall be exercisable by the person or persons to whom the optionholder's rights under the option shall pass by the optionholder's will or laws of descent at any time up to and including 12 months following the death of the optionholder or the expiry of the option, whichever occurs first;
- (9) In the event of the sale of all or substantially all of the property and assets of the Corporation prior to the expiry time of an option, such option may be exercised at any time up to and including 30 days following completion of the date of such sale or prior to the expiry of the option. In the event the Corporation's Shareholders receive a "take-over" bid, such that if successful the offeror would as a result of such take-over bid beneficially own more than 50% of the outstanding Common Shares of the Corporation, the optionholder would be entitled to an acceleration right to exercise their options, not otherwise vested, for the sole purpose of accepting such bid, up to the date of the successful bid at which time the acceleration right would cease.

Given that the Plan is of a "rolling" nature, the 10% cap on available stock options is continually changing. As of February 21, 2006, the total possible number of available stock options under the Plan shall not exceed 3,935,555 options, of which 1,623,334 options are currently outstanding.

A copy of the Plan can be obtained from the Corporation upon request.

### ***Approvals Required***

At the Meeting, Shareholders will be requested to approve a resolution approving the maximum number of available stock options currently available under the Plan, being 3,935,555 options. The form of this resolution is attached as Appendix "A" to this Information Circular. Approval of this resolution requires the affirmative vote of a majority of the Shareholders present or represented by proxy at the Meeting. **Unless the Shareholder specified in the enclosed form of proxy that the persons named in the form of proxy are to vote against this resolution, the persons named in the form of proxy shall vote the Share represented by the proxy in favour of the resolution.**

## **EXECUTIVE REMUNERATION**

### **1. Compensation of Executive Officers**

There has been no compensation paid to executive officers of the Corporation in this fiscal year other than as specifically outlined below (also see "Stock Option Plan", "Management Agreement" and "Directors Fees").

The following table provides a summary of compensation earned for the last three (3) fiscal years by the Corporation's executive officers.

Name and Principal Positions	Year	Annual Compensation			Long Term Compensation		
		Salary (\$)	Bonus (\$)	Other Annual Compensation	Awards		All Other Compensation (\$)
					Securities Granted Under Options Granted (#)	Restricted Shares or Restricted Share Units (\$)	
Richard Hamm Former President & Chief Executive Officer	2005	\$ 50,000	-	-	-	-	-
	2004	\$100,000	-	-	-	-	-
	2003	\$100,000	-	-	-	-	-
Michael Zakuta President and Chief Executive Officer	2005	51,000(1)	-	-	-	-	-
	2004	-	-	-	-	-	-
	2003	-	-	-	-	-	-
Peter Sheehan Chief Financial Officer	2005	\$0 (2)	-	-	125,000	-	-
	2004	\$0 (2)	-	-	-	-	-
	2003	\$0 (2)	-	-	-	-	-
James Petrie Secretary & Corporate Counsel	2005	\$0 (3)	-	-	125,000	-	-
	2004	\$0 (3)	-	-	-	-	-
	2003	-	-	-	-	-	-

- (1) Michael Zakuta of Montreal, Quebec provides services to the Corporation as President/CEO on a part-time basis. He is employed by the Corporation's management company, Plaza Atlantic Limited, Fredericton, NB and its subcontractor, Les Immeubles Plaza Z-Corp Inc., Montreal, QC and, as of November 1, 2005, is no longer a salaried employee of the Corporation and instead is solely compensated by the management companies for his work, including that related to the Corporation. Plaza Atlantic Limited and its subcontractors, Plaza Z-Corp provides various services to the Corporation in accordance with the Management Agreement described below.
- (2) Peter Sheehan of Fredericton, NB provides services to the Corporation as CFO on a part-time basis. He is employed by Plaza Atlantic Limited and is compensated by that company for his work, including that related to the Corporation. Plaza Atlantic Limited provides various services to the Corporation in accordance with the Management Agreement described below.
- (3) James Petrie of Fredericton, NB provides services to the Corporation as Secretary and Corporate Counsel on a part-time basis. He is employed by Plaza Atlantic Limited and is compensated by that company for his work, including that related to the Corporation. Plaza Atlantic Limited provides various services to the Corporation in accordance with the Management Agreement described below.

## 2. Management Agreement

The Corporation has entered into a Management Agreement with Plaza Atlantic Limited, a corporation owned directly and indirectly by Earl Brewer (Director and Chairman of Plazacorp Retail Properties Ltd.), Paul Leger (former Director of Plazacorp Retail Properties Ltd.) and Michael Zakuta (Director and President & Chief Executive Officer of Plazacorp Retail Properties Ltd.), whereby Plaza Atlantic Limited has been retained to provide property management and other property related services including leasing and marketing, acquisitions, financing, development and dispositions for the Corporation. During the year ended October 31, 2005, \$3,980,000.00 in fees at competitive market rates were billed by Plaza Atlantic Limited. Plaza Atlantic Limited subcontracts some of its duties under the Management Agreement between the Corporation and Plaza Atlantic Limited with Les Immeubles Plaza Z-Corp Inc., a company controlled by Michael Zakuta. Details of the fees structure under the Management Agreement

can be found in the Corporation's Consolidated Financial Statements for the year ended October 31, 2005 and the Management Discussion and Analysis which are filed under SEDAR at [www.sedar.com](http://www.sedar.com).

### **3. Stock Option Plan**

On November 1, 1999, Plazacorp Retail Properties Ltd. amalgamated with Plazafund Retail Properties Ltd. to form the Corporation which has retained the name Plazacorp Retail Properties Ltd. Prior to amalgamation, the predecessor to the Corporation established the stock option plan (the "Plan"). At that time 400,000 options were granted on July 23, 1999 to certain directors. On amalgamation, these 400,000 stock options were cancelled and reissued under the Plan (the "Series 1 Options"). The Series 1 Options were all exercised during the year ended October 31, 2003.

Pursuant to the Plan, the Board of Directors may allocate non-transferable options to purchase Common Shares to directors, officers, employees and consultants of the Corporation and its subsidiaries or affiliates. The aggregate number of Common Shares to be issued upon exercise of options granted under the Plan shall not exceed the maximum number of Common Shares permitted to be issued under the rules of any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction. The Plan provides that the exercise price of the Common Shares covered by each option shall be determined by the Board of Directors and shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed or by any regulatory body having jurisdiction.

Under the Plan, the options are non-transferable and, if not exercised, will expire one year following the date the optionee ceases to be a director or hold an office of the Corporation or an employee of the Corporation or its affiliates by reason of death, or 90 days after ceasing to be a director, officer or employee of the Corporation or its affiliates for any reason other than death.

On May 14, 2002, the Company received regulatory approval and issued an additional 400,000 stock options granted on August 3, 2001 (the "Series 2 Options"). These options vest in even tranches over the first, second and third anniversaries of the grant date and are detailed in the table below.

Currently there are 25,000 Series 2 Options that remain unexercised under the Plan. These options expire on August 3, 2006.

On February 3, 2005, the Board of Directors granted 1,585,000 stock options to certain directors and officers and employees of the Corporation pursuant to the Plan (the "Series 3 Options"). On April 15, 2005, the Board granted a further 30,000 stock options to a director, Barbara Trenholm (also included in the "Series 3 Options"). The Series 3 Options vest in even tranches over the first, second and third anniversaries of the grant date. None of these options were granted to related directors namely Earl Brewer, Richard Hamm and Michael Zakuta.

The following table details Series 2 and 3 Options granted to directors and executive officers of the Corporation to February 21, 2006:

	Options outstanding as at November 1, 2004	Options Granted during the year ended October 31, 2005	Options Expired during the year ended October 31, 2005	Options Exercised during the period ended February 21, 2006	Unexercised Options at February 21, 2006 (Exercisable)	Exercise Price	Expiry date
<b><u>SERIES 2 OPTIONS</u></b>							
Peter Sheehan	-	-	-	-	-	\$0.75	August 3, 2006
Other employees	143,333	-	25,000	93,333	25,000	\$0.75	August 3, 2006
<b>SERIES 2 TOTAL</b>	<b>143,333</b>	<b>-</b>	<b>25,000</b>	<b>93,333</b>	<b>25,000</b>	<b>-</b>	<b>-</b>
<b><u>SERIES 3 OPTIONS</u></b>							
Stephen Johnson, Director	-	75,000	-	-	75,000	\$1.72	Feb. 2, 2010
Edouard F. Babineau, Director	-	75,000	-	-	75,000	\$1.72	Feb. 2, 2010
Willard J. L'Heureux, Director	-	75,000	-	-	75,000	\$1.72	Feb. 2, 2010
Barbara Trenholm, Director	-	30,000	-	-	30,000	\$1.85	April 14, 2010
Peter Sheehan, Chief Financial Officer	-	125,000	-	-	125,000	\$1.72	Feb. 2, 2010
James Petrie, Corporate Secretary	-	125,000	-	-	125,000	\$1.72	Feb. 2, 2010
Other employees	-	1,110,000	-	16,666	1,093,334	\$1.72	Feb. 2, 2010
<b>SERIES 3 TOTAL</b>	<b>-</b>	<b>1,615,000</b>	<b>-</b>	<b>16,666</b>	<b>1,598,334</b>	<b>-</b>	<b>-</b>
<b><u>GRAND TOTAL</u></b>	<b>143,333</b>	<b>1,615,000</b>	<b>25,000</b>	<b>109,999</b>	<b>1,623,334</b>	<b>-</b>	<b>-</b>

On April 20, 2005, the Shareholders approved revisions to the Plan as put forward by Management, largely aimed at updating the Plan to meet current TSX Venture Exchange requirements and guidelines (the "Revised Plan"). Currently the Board has not issued any further options under the Revised Plan.

#### **4. Retirement Plans**

The Corporation has no retirement plans, pension plans or other forms of funded or unfunded retirement compensation and none are proposed at this time.

#### **5. Compensation of Directors**

The following table represents the compensation paid to certain directors during the last fiscal year for participation at Directors' meetings. The related directors, namely Earl Brewer, Richard Hamm and Michael Zakuta, did not receive any such compensation.

	Compensation paid during the fiscal year ended October 31, 2005
Stephen Johnson	\$16,250
Edouard F. Babineau (1)	\$18,900
Willard J. L'Heureux (2)	\$15,200
Barbara Trenholm	\$8,000

(1) Includes fees paid for chairing Audit Committee

(2) Includes fees paid for chairing Corporate Governance Committee

#### **6. Employment Contracts and Termination of Employment**

The Corporation has no formal employment contracts or termination plan by which executive officers are entitled to compensation.

#### **7. Indebtedness of Directors and Executive Officers**

Other than as herein set forth, no proposed nominee, director, executive officer or any of their respective associates or affiliates is or has been since incorporation indebted to the Corporation, nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation or any of its subsidiaries.

### **OTHER MATTERS COMING BEFORE THE MEETING**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting; the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

The Corporation has entered into a Management Agreement with Plaza Atlantic Limited, a corporation owned directly and indirectly by Earl Brewer (Director and Chairman of the Corporation), Paul Leger (Former Director of the Corporation) and Michael Zakuta (Director and President and Chief Financial Officer of the Corporation), whereby Plaza Atlantic Limited has been retained to provide property management and other property related services including leasing and marketing, acquisitions, financing, development and dispositions for the Corporation. During the year ended October 31, 2005, \$3,980,000.00 in fees at competitive market rates were billed by Plaza Atlantic Limited. Plaza Atlantic Limited subcontracts some of its duties under the Management Agreement between the Corporation and Plaza Atlantic Limited with Les

Immeubles Plaza Z-Corp Inc., a company controlled by Michael Zakuta. Details of the fees structure under the Management Agreement can be found in the Corporation's Consolidated Financial Statements for the year ended October 31, 2005 and the Management Discussion and Analysis which are filed under SEDAR at [www.sedar.com](http://www.sedar.com).

## CORPORATE GOVERNANCE

The Board of Directors recognizes that its investors and other stakeholders significantly value effective corporate governance. The Board will continue to take steps throughout the coming year to improve the Corporation's overall corporate governance.

The Corporation's Board presently consists of seven (7) directors of whom the Board considers four (4) to be unrelated directors. The proposed directors include Earl Brewer, Michael Zakuta, Richard Hamm, Stephen Johnson, Edouard Babineau, Willard L'Heureux and Barbara Trenholm. Earl Brewer is considered to be a related director because he holds an executive officer position as Chairman of the Board and he is a Shareholder who beneficially owns more than 10% of the outstanding Common Shares of the Corporation. Richard Hamm is considered to be a related director because he held within the last three years an executive officer position as President and Chief Executive Officer and he is a Shareholder who beneficially owns more than 10% of the outstanding Common Shares of the Corporation. Michael Zakuta is considered to be a related director because he holds an executive officer position of President and Chief Executive Officer and he is a Shareholder who beneficially owns more than 10% of the outstanding Common Shares of the Corporation.

The remaining proposed directors are considered to be unrelated as they do not a) work for the Corporation or its affiliates, b) have a significant ownership interest in the Corporation more than 10% of the outstanding Common Shares of the Corporation c) have a significant business or other relationship with the Corporation or any of its affiliates or d) receive remuneration from the Corporation in excess of Directors fees or stock options.

The Board of Directors presently has three (3) standing committees. They include an Audit Committee, an Investment Committee and a Corporate Governance Committee. The current terms of reference for each of these committees are as follows:

The Audit Committee consists of four unrelated directors namely Edouard Babineau, Willard L'Heureux, Stephen Johnson and Barbara Trenholm who acts as Chair. The Audit Committee has outlined its mandate in its Charter which is summarized as follows:

- Maintain a written charter and review the adequacy of the Charter on an annual basis.
- Recommend to the Board the appointment of the independent auditor and the fees to be paid for the independent auditor.
- Hold responsibility for the retention and oversight of the work of the independent auditor
- Pre-approve all non-audit services to be provided to the issuer or subsidiary entities by the independent auditor
- Review the independence of the external auditor
- Review and recommend to the Board for approval the annual financial statements, management discussion and analysis and all financial statements and significant financial information included in a prospectus or other offering documents.
- Review prior to any public disclosure the unaudited interim financial statements, quarterly management discussion and analysis, earnings press releases, and any other audited financial statements required to be prepared regarding the Corporation or its subsidiaries if

- required to be made publicly available or filed with a regulatory agency.
- Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures
- Review with management and the independent auditor all critical accounting policies and practices to be used by the Corporation in preparing its financial statements
- Review all other material communication between the independent auditor and management
- Establish procedures for the receipt, retention and treatment of complaints received the Corporation regarding accounting, internal controls or auditing matters and for the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The Board of Directors has appointed an Investment Committee consisting of Earl Brewer, Richard Hamm and Michael Zakuta, all of who are officers or former officers of the Corporation. The Investment Committee's main role is to approve the Corporation's entering into agreements for the purchase, development and financing of new projects, subject to certain criteria set by the Board. The Investment Committee's mandate is limited to: approving purchases and financings up to a maximum of 5% of the Corporation's net asset base as of the most recently published financial statements for the Corporation on the proposed date of the acquisition; approving projects that meet the Corporation's minimum financial criteria established by the Board from time to time; and approving projects that are not considered to be related party transactions or involve the sale of part or all of a property of the Corporation.

The Board of Directors has appointed a Corporate Governance Committee consisting of three (3) directors, two of whom are considered to be unrelated directors, namely Willard L'Heureux as Chair, and Stephen Johnson. Richard Hamm also sits on the Committee. The role of the Committee is to develop the Corporation's approach to corporate governance issues. During Fiscal 2005, the Committee created a Corporate Governance Charter which was formally approved by the Board of Directors on February 10, 2006. The Charter outlines the Committee's mandate and sets the Corporation's approach to corporate governance, which can be summarized as follows:

- Establishment of the Corporate Governance Committee and its procedures.
- A belief that a majority of its directors should be independent from management.
- A belief that its directors can sit as directors for other public issuers, where there is no inherent conflict of interest and where such other directorship does not unreasonably impact the availability and time such director can commit to the Corporation.
- A belief that it is critical for its directors to have an understanding of its business and to have a reasonable familiarity with its day-to-day operations and key personnel.
- A belief that its new directors should experience a proper and effective orientation program.
- A belief that the business of the Board of Directors is best served by having three (3) committees: the Audit Committee, the Corporate Governance Committee, and the Investment Committee.
- A belief that the Board and its committees should be assessed on at least an annual basis to ensure they are performing effectively.
- A belief that its directors, Chief Executive Officer and other executives should be fairly compensated based on their contribution to the Corporation's success.
- A belief in promoting a culture of ethical business conduct among its directors, executives

and employees of the Corporation, including the establishment of a Code of Business Conduct.

- The Corporate Governance Committee shall act as the nominating committee for the Corporation, and will receive nominations from members of the Corporation's executive and other directors on the Board to fill any vacancy that is anticipated or has arisen on the Board.
- The Board acknowledges responsibility for the stewardship of the Corporation, including annually developing a strategic plan and identifying the principal risks of the business. The Board also believes in an on-going corporate governance process and creating mechanisms to allow security holders in the Corporation to provide feedback to the Corporation.

The Corporation's Corporate Governance Charter can be found on the Corporation's website at [www.plaza.ca](http://www.plaza.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

The responsibility for recruitment to the Board of Directors falls to the Chairman and executive officers of the Corporation based upon recommendations from the Corporate Governance Committee. Potential nominees are also discussed informally with Board members prior to being presented to the Board. Orientation and education for new recruits to the Board is provided by the CEO and CFO or their designees pursuant to the principles and structure outlined in the Corporate Governance Charter. The Corporate Governance Committee is also responsible for setting compensation for directors and the Corporation's executive officers, and recommending the granting of stock options for the Board's consideration.

The Board of Directors feels that the seven (7) Board members will be adequate to provide an appropriate level of skill and advice to guide the Corporation. As the Corporation grows, the addition of new directors will be considered which is why the maximum number of directors has been increased to ten (10) in the articles of the Corporation. The Board believes that the proposed directors have an appropriate mix of individuals with real estate, accounting, financial, legal and general business experience.

As part of the Board's on-going review on its current corporate governance practices, the composition of its committees as well as the terms of reference for each committee will be reviewed and, if necessary, amended to more properly reflect the "best practices" for corporate governance of the Company.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on the Corporation's web site at [www.plaza.ca](http://www.plaza.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com) including the Corporation's Consolidated Financial Statements for the year ended October 31, 2005 and the Corporation's Management Discussion and Analysis. These documents will be mailed to the Corporation's Shareholders on February 23, 2006. If there is any Shareholder who did not receive such documents and wishes to do so, they may obtain them by accessing the web sites listed above or upon request from the Secretary of the Corporation.

## APPROVAL

The contents, mailing and delivery of this Information Circular have been approved by the directors of the Corporation.

DATED at Fredericton, New Brunswick, this 21st day of February, 2006.

By Order of the Board of Directors:

*signed "Earl Brewer"*  
Earl Brewer  
Chairman

*signed "Michael Zakuta"*  
Michael Zakuta  
President and Chief Executive Officer

**Appendix “A”**  
**Proposed Shareholders Resolution**

The undersigned, being all the shareholders of **PLAZACORP RETAIL PROPERTIES LTD.** (the “Corporation”), pursuant to Section 95 of the *Business Corporations Act*, by their signatures, hereby pass the following resolutions:

**APPROVAL OF “ROLLING” STOCK OPTION PLAN**

**Whereas:**

The Corporation created a Stock Option Plan (the “Plan”) in 1999. Pursuant to the Plan, the Board of Directors may allocate non-transferable options to purchase Common Shares to directors, officers, employees and consultants of the Corporation and its subsidiaries or affiliates;

The Corporation received formal approval by its Shareholders of certain revisions to the Plan at the Corporation’s most recent Annual and Special Meeting in 2005, largely aimed at updating the Plan to meet current TSX Venture Exchange requirements and guidelines;

Because the Plan is a “rolling” stock option plan, the Corporation is required to seek approval of the Plan on an annual basis from its Shareholders in accordance with the requirements of the TSX Venture Exchange, Policy 4.4, para. 2.9(b);

Given that the Plan is of a “rolling” nature, the 10% cap on available stock options is continually changing. As of February 21, 2006, the total possible number of available stock options under the Plan can not exceed 3,935,555 options, of which 1,623,334 options are currently outstanding;

**NOW THEREFORE BE IT RESOLVED:**

1. The Plan is hereby ratified and approved as of the date hereof.
2. Any two officers or directors of the Corporation be and they are hereby authorized for and in the name of the Corporation to execute and deliver under the corporate seal or otherwise all such documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution.