



ARMTEC INFRASTRUCTURE INCOME FUND

**Notice of Annual Meeting of Unitholders
to be held on May 15, 2008**

and

Information Circular



Armtec Infrastructure Income Fund
370 Speedvale Avenue West, Suite #3
Guelph, Ontario
N1H 7M7

NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the “Meeting”) of the holders of units of Armtec Infrastructure Income Fund (the “Fund”) will be held at 10:00 a.m. ET on Thursday, May 15, 2008 at the Fund’s head office, 370 Speedvale Avenue West, Suite #3, Guelph, Ontario, for the following purposes:

1. To receive the consolidated financial statements of the Fund for the year ended December 31, 2007 together with the report of the auditors on those statements;
2. To reappoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Fund for the ensuing year and to authorize the trustees of the Fund to fix the remuneration of the auditors;
3. To appoint the trustees of the Fund for the ensuing year; and
4. To transact such other business as may properly come before the Meeting and any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Information Circular.

DATED at the City of Guelph, in the Province of Ontario, this 14th day of March 2008.

By Order of the Trustees,

Robert J. Wright
Chairman of the Trustees

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ARMTEC INFRASTRUCTURE INCOME FUND INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the trustees (the "Trustees") of ARMTEC INFRASTRUCTURE INCOME FUND (the "Fund") for use at the annual meeting (the "Meeting") of holders ("Unitholders") of units ("Units") of the Fund to be held at 10:00 a.m. ET on May 15, 2008 at the Fund's head office, 370 Speedvale Avenue West, Suite #3, Guelph, Ontario, and at any adjournment thereof.

SOLICITATION OF PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

The solicitation of proxies is being made by or on behalf of the Trustees. The cost of such solicitation will be borne by the Fund. The solicitation of proxies will be made primarily by mail but proxies may also be solicited by telephone or other personal contact by the Trustees, directors, officers and/or employees of the Fund and its subsidiaries, who will receive no special compensation therefore. Neither the Fund nor its subsidiaries will reimburse Unitholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals or beneficial owners.

Appointment of Proxies

The persons named in the enclosed form of proxy are representatives of the Trustees. Each Unitholder is entitled to appoint a person other than the individuals named in the enclosed form of proxy to represent such Unitholder at the Meeting. A Unitholder may make such appointment either by inserting such person's name in the blank space provided in the form of proxy and striking out the names set forth therein or by completing another proper form of proxy. A proxyholder need not be a Unitholder. Completed proxies must be delivered by postal or other delivery to Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1. In order to be valid for use at the Meeting, proxies must be received by Computershare Investor Services Inc. no less than 48 hours (excluding Saturdays, Sundays and statutory and civic holidays) preceding the commencement of the Meeting or any adjournment thereof.

Revocation of Proxies

A Unitholder may revoke a proxy: (a) by completing and signing a proxy bearing a later date and returning it to Computershare Investor Services Inc. in the manner and prior to the deadline set forth above; (b) by depositing an instrument in writing executed by the Unitholder or the Unitholder's attorney authorized in writing (i) at the registered office of the Fund at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the chairperson of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or (c) in any other manner permitted by law. The registered office of the Fund is located at 370 Speedvale Avenue West, Suite #3, Guelph, Ontario, N1H 7M7.

Voting of Proxies

The Units represented by proxy will be voted, or withheld from voting, in accordance with the instructions of the Unitholder on any ballot that may be called for. **If a Unitholder does not specify that the Units are to be withheld from voting with respect to the appointment of auditors of the Fund and the authorization of the Trustees to fix the remuneration of the auditors and/or the appointment of Trustees of the Fund, such Units will be voted in respect of such matters.**

It is not intended that the proxies hereby solicited be used for the purpose of voting upon the consolidated financial statements of the Fund for the year ended December 31, 2007 or the report of the auditors thereon.

If any amendments to matters identified in the notice of Meeting are proposed at the Meeting or if any other matters properly come before the Meeting, the enclosed form of proxy confers discretionary authority to vote on such amendments or such other matters according to the best judgment of the person voting the proxy at the Meeting. The Trustees know of no such amendments or matters to come before the Meeting other than the matters referred to in the notice of Meeting.

Non-Registered Unitholders

Only registered Unitholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting. However, in many cases Units beneficially owned by a holder (a "Non-Registered Unitholder") are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Unitholder deals with in respect of the Units, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds and registered educational savings plans and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS & Co.”)) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Fund has distributed copies of the notice of Meeting, this Information Circular, the form of proxy and the 2007 Annual Report of the Fund (collectively, the “Meeting Materials”) to the Intermediaries and clearing agencies for distribution to Non-Registered Unitholders.

Intermediaries are required to forward Meeting Materials to Non-Registered Unitholders unless a Non-Registered Unitholder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Investor Communications Corporation (“Broadridge”)) to forward the Meeting Materials to Non-Registered Unitholders.

Generally, Non-Registered Unitholders who have not waived the right to receive Meeting Materials will either receive a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Unitholders to direct the voting of the Units they beneficially own. Non-Registered Unitholders should follow the procedures set out below, depending on which type of form they receive.

- (a) *Voting Instruction Form.* In most cases, a Non-Registered Unitholder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Unitholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Unitholder’s behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. Voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvote.com. If a Non-Registered Unitholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Unitholder’s behalf), the Non-Registered Unitholder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Unitholder.
- (b) *Form of Proxy.* Less frequently, a Non-Registered Unitholder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Units beneficially owned by the Non-Registered Unitholder but which is otherwise uncompleted. If the Non-Registered Unitholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Unitholder’s behalf), the Non-Registered Unitholder must complete the form of proxy and deposit it with Broadridge, as described above. If a Non-Registered Unitholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Unitholder’s behalf), the Non-Registered Unitholder must strike out the names of the persons named in the proxy and insert the Non-Registered Unitholder’s (or such other person’s) name in the blank space provided.

Non-Registered Unitholders should follow the instructions on the forms they receive and contact their Intermediaries promptly if they need assistance.

A Non-Registered Unitholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by contacting the Intermediary and complying with any applicable requirements imposed by the Intermediary.

Voting Securities and Principal Holders of Voting Securities

The Fund is authorized to issue an unlimited number of Units. As at the date hereof, there are 14,009,000 Units issued and outstanding, each carrying the right to one vote on all matters to come before the Meeting, and an additional 1,067,073 Units are reserved for issuance.

To the knowledge of the Trustees and the trustees, directors and/or officers of the Armtec Entities (as defined below), there are no persons or groups who beneficially own, directly or indirectly, or exercise control or direction over, Units carrying more than 10% of the voting rights attached to all outstanding Units and Units reserved for issuance combined as at the date hereof.

The Trustees understand that in excess of 10% of the outstanding Units are registered in the name of CDS & Co., as nominee, and are held by various Intermediaries and other parties on behalf of their clients and others. The names of the beneficial owners holding their Units through CDS & Co. are not all known to the Trustees and the directors and officers of the Armtec Entities.

Record Date

The record date for the determination of Unitholders entitled to receive notice of and vote at the Meeting or any adjournment thereof is April 4, 2008. Any Unitholder who is a Unitholder on April 4, 2008 is entitled to receive notice of and vote at the Meeting or any adjournment thereof even though the Unitholder has since that time disposed of his or her Units. Unitholders who acquire Units after April 4, 2008 should make arrangements with the selling Unitholder to direct how such Units may be voted at the Meeting or any adjournment thereof.

INFORMATION CONCERNING ARMTEC INFRASTRUCTURE INCOME FUND

The Fund

The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated June 15, 2004, as amended and restated on July 27, 2004 (the "Declaration of Trust"). The head and registered office of the Fund is located at 370 Speedvale Avenue West, Suite #3, Guelph, Ontario, N1H 7M7. The Fund does not carry on any active business, but rather it holds, directly and indirectly, securities and assets of Armtec Operating Trust ("AOT"), Armtec AEP GP Limited ("AEP GP"), Armtec Exchangeable Partnership ("AEP"), Armtec Holdings Limited ("AHL"), Armtec Limited Partner Corp. ("ALPC"), and Armtec Limited Partnership ("ALP").

Subsidiary Entities

AOT is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust (the "AOT Declaration of Trust") dated July 16, 2004. Among other things, AOT has been established to hold, directly and indirectly, securities of AHL, ALP and/or their affiliates and other investments in entities conducting the business of manufacturing and/or marketing drainage products and/or engineered solutions for infrastructure applications and such other investments as the trustees of AOT may determine. AOT now holds, directly or indirectly, 100% of the voting securities of each of AEP GP, AEP, AHL, ALPC and ALP.

AEP GP, a corporation incorporated under the laws of the Province of Ontario, is the sole general partner of AEP. AEP is a limited partnership established under the laws of the Province of Ontario. AEP, the sole voting limited partner of which is AOT, is an investment holding limited partnership.

AHL, a corporation continued under the laws of the Province of Ontario, is the sole general partner of ALP. ALP is a limited partnership established under the laws of the Province of Ontario to, among other things, conduct the business of manufacturing and/or marketing of drainage products and/or engineered solutions for infrastructure applications and to own, operate and lease assets and property in connection therewith. The limited partners of ALP are AEP and ALPC, a corporation incorporated under the laws of the Province of Ontario, and AHL.

The Fund owns, directly, 100% of the issued and outstanding securities of AOT, and owns, directly or indirectly, 100% of the issued and outstanding voting securities of each of AEP GP, AEP, AHL, ALPC, and ALP.

The term "Armtec Entities" refers herein to AOT, together with AHL, ALPC, ALP, AEP GP and AEP.

Administration Agreement

On July 27, 2004, the Fund entered into an administration agreement with the Armtec Entities (other than AEP GP and AEP) pursuant to which ALP has agreed to provide (for no additional consideration, other than reimbursement by the Fund of out-of-pocket expenses for the provision of such services) administrative and support services to the Fund, AOT, AHL and ALPC. The administration agreement has an initial term of five years, and is renewable for two additional five-year terms at the option of the parties thereto.

Information contained herein is given as at March 14, 2008, except as otherwise stated.

BUSINESS OF THE MEETING

Presentation of Financial Statements

The consolidated financial statements of the Fund for the year ended December 31, 2007, together with the auditors' report thereon, are contained in the 2007 Annual Report mailed to Unitholders with this Information Circular who have requested a copy of same.

Appointment of Trustees

The Declaration of Trust provides that the Trustees will consist of not less than three and no more than ten Trustees. The number of Trustees within such range is currently fixed at six.

Trustees (including the reappointment of incumbent Trustees) are appointed at each annual meeting of Unitholders. Each Trustee appointed will hold office for a term expiring at the close of the next annual meeting of Unitholders following such appointment or until his successor is appointed, unless his office is vacated earlier.

Unless authority to vote is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of the nominees who are named below, all of whom are currently Trustees. If any of the proposed nominees should for any reason be unable to serve as a Trustee, the persons named in the enclosed form of proxy reserve the right to nominate and vote for another nominee at their discretion.

ROBERT J. WRIGHT, C.M., Q.C.

Ontario, Canada

Trustee Since: July 2004

Units: 15,000⁽¹⁾

Mr. Wright is the Deputy Chairman of Teck Cominco Limited (a major Canadian diversified mining company), a position he has held since June 2000. Mr. Wright was Chairman of Teck Corporation (the predecessor to Teck Cominco Limited) from 1994 to June 2000. From 1989 to 1993, Mr. Wright was Chairman of the Ontario Securities Commission. Prior to 1989, he was a senior partner in the law firm of Lang Michener. Mr. Wright is a director of Pathways to Education Canada, chairman and a director of the Mutual Fund Dealers Association, vice chairman of the AARC Foundation and chairman and trustee of Resolve Business Outsourcing Income Fund. Mr. Wright was appointed a Member of the Order of Canada in April 1997.

Mr. Wright is currently the non-executive Chairman of the Trustees and a member of the Corporate Governance and Compensation Committee.

ROBERT H.R. DRYBURGH, C.A.

Pennsylvania, United States

Trustee Since: June 2005

Units: 5,000⁽¹⁾

Mr. Dryburgh is a corporate director. Mr. Dryburgh was, until October 2006, Executive Vice President of Heico Acquisitions Inc., an affiliate of The Heico Companies LLC, an investment holding company, which owned Robertson-Ceco Corporation until April 2006. From October 2004 until April 2006, Mr. Dryburgh was the Executive Vice President of Robertson-Ceco Corporation, a leading manufacturer of custom engineered metal buildings, headquartered in Illinois. Prior to joining Robertson-Ceco, Mr. Dryburgh was President of Straightline Division, United States Steel Corporation, a technology based, steel distribution/supply chain management company, from its start-up in July 2001. From 1992 to 2000, Mr. Dryburgh was President of the Jenisys Engineered Products Division of Jannock Limited. Mr. Dryburgh is a trustee of Strongco Income Fund and is also a trustee of the Frank Lloyd Wright Foundation. Mr. Dryburgh is a Chartered Accountant and was appointed a Fellow of the Institute of Chartered Accountants in England and Wales in 1979.

Mr. Dryburgh is currently a member of the Corporate Governance and Compensation Committee.

BRIAN W. JAMIESON, B. Com., A.C.A.N.Z.
Ontario, Canada
Trustee Since: July 2004
Units: 2,000⁽¹⁾

Mr. Jamieson is the Chief Financial Officer and Secretary of Jannock Properties Limited (a real estate development company), a position he has held since March 2000. Mr. Jamieson was Vice President, Finance and Chief Financial Officer of Jannock Limited from May 1986 to March 2000. Mr. Jamieson is a director and a member of the audit committee of Route1, Inc. Mr. Jamieson is a member of the Institute of Chartered Accountants of New Zealand and holds a Bachelor of Commerce degree from the University of Canterbury in New Zealand.

Mr. Jamieson is currently the Chair of the Audit Committee.

MICHAEL LAY, C.A.
Ontario, Canada
Trustee Since: July 2004
Units: 3,000⁽¹⁾

Mr. Lay is the Managing Partner of ONCAP Management Partners L.P. (a private equity fund), a position he has held since June 2000. Prior to joining ONCAP, Mr. Lay led the Merchant Banking group at Ontario Teachers' Pension Plan Board, one of Canada's largest merchant banking operations. Mr. Lay is also a director of BMONT Split Corp., a mutual fund corporation. Mr. Lay is a Chartered Accountant and holds a Bachelor of Business Administration (Honours) degree from the Richard Ivey School of Business at the University of Western Ontario.

Mr. Lay is currently a member of the Audit Committee.

JOHN E. RICHARDSON, FCA
Ontario, Canada
Trustee Since: July 2004
Units: 4,000⁽¹⁾

Mr. Richardson is a corporate director. He was formerly the chairman of the Ontario Pension Board (the administrator of the Public Service Pension Plan), a position he held from July 2004 to June 2007. Mr. Richardson was Deputy Chairman of London Insurance Group from 1986 to 1995 and then became Executive Vice President, Corporate Development. Prior to 1986, Mr. Richardson was a senior partner at Ernst & Young (chartered accountants). Mr. Richardson is the lead director and chairman of the nominating and governance committee of Research in Motion Limited. During 2007, the directors and officers of Research in Motion Limited were subject to a cease trade order pending resolution of a stock option review by the Securities Commissions. The cease trade order was revoked in October 2007. Mr. Richardson is also the chairman and a director of Boiler Inspection and Insurance Company, and a trustee and chairman of the audit committee of Resolve Business Outsourcing Income Fund. Mr. Richardson is a Chartered Accountant, a Fellow of the Institute of Chartered Accountants and holds a Bachelor of Commerce degree from the University of Toronto and a Masters of Business Administration from Harvard Business School.

Mr. Richardson is currently a member of the Audit Committee.

MICHAEL SKEA, B.A.
Ontario, Canada
Trustee Since: July 2004
Units: 5,000⁽¹⁾

Mr. Skea is an independent consultant providing strategic planning and marketing solutions, a position he has held since January 2005. Mr. Skea has held senior management positions with leading Canadian companies, including the position of Vice President, Trade Marketing of Molson Canada (an international brewer), a position he held from November 2003 to January 2005. Prior to November 2003, Mr. Skea was employed by Mosaic Group Inc. (a marketing and communications company) from August 1998 to November 2003 where he held positions of increasing responsibility including President of the eForce division, President of Mosaic Marketing Services, President of Mosaic Digital and Senior Vice President of Mosaic Performance Solutions (North America). Mr. Skea was Vice President, Sales and Marketing of Bell ExpressVu Limited Partnership (a direct-to-home satellite company) from 1996 to 1998. Mr. Skea is a director of the St. Joseph's Health Centre Foundation. Mr. Skea holds a Bachelor of Arts degree from Queen's University.

Mr. Skea is currently the Chair of the Corporate Governance and Compensation Committee.

Note:
⁽¹⁾ Reflects the number of Units beneficially owned, directly or indirectly, or over which control or direction is exercised. This information has been furnished by such nominees as of the date hereof.

Appointment of Auditors

The persons named in the enclosed form of proxy intend to vote **FOR** the reappointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Fund to hold office until the next annual meeting of Unitholders at a remuneration to be determined by the Trustees. PricewaterhouseCoopers LLP have been the auditors of the Fund since its initial public offering in July 2004.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth all compensation earned during the financial years ended December 31, 2007, 2006 and 2005 by: (a) Charles M. Phillips, the President and Chief Executive Officer; (b) each of R. John Slattery (the former Senior Vice President, Finance and Chief Financial Officer) and Carrie Boutcher, the Vice President, Finance; and (c) each of the other two executive officers who were serving as executive officers as at the end of the financial year ended December 31, 2007, and whose total salary and bonus exceeded \$150,000, namely, Ceri Howell, the Vice President of Sales and Marketing, and Thomas Cannon, the Vice President of Operations (collectively, the “Named Executive Officers” or “NEOs”):

NEO Name and Principal Position	Year	Annual Compensation			Long-Term Compensation	All Other Compensation ⁽⁴⁾
		Salary (\$)	Bonus ⁽¹⁾ (\$)	Other Annual Compensation ⁽²⁾ (\$)	LTIP Awards ⁽³⁾ (\$)	(\$)
Charles M. Phillips President and Chief Executive Officer	2007	266,508	367,286	38,666	171,063	36,210
	2006	260,003	172,397	30,244	86,222	34,103
	2005	260,003	210,377	18,320	34,317	28,834
R. John Slattery⁽⁵⁾ Former Senior Vice President, Finance and Chief Financial Officer & Secretary	2007	105,060	Nil	13,376	Nil	10,217
	2006	204,996	54,370	21,328	43,120	16,858
	2005	200,004	64,732	16,962	17,017	15,139
Carrie Boutcher⁽⁶⁾ Vice President, Finance	2007	151,575	115,371	9,619	Nil	6,442
	2006	56,250	Nil	2,700	Nil	Nil
Ceri Howell Vice President, Sales & Marketing	2007	157,300	77,824	13,029	57,590	17,203
	2006	154,496	50,983	11,465	28,350	16,111
	2005	151,248	40,793	11,793	11,272	16,381
Thomas Cannon Vice President, Operations	2007	156,956	74,408	18,405	42,784	12,279
	2006	153,130	39,508	10,947	21,560	12,057
	2005	147,500	39,783	11,808	8,500	11,155

Notes:

- (1) Bonuses earned in respect of any given financial year are determined and paid in the following year.
- (2) The amounts in this column include car leases, car insurance and other car operating expenses. For the years 2005, 2006, and 2007, the amounts in this column also include distributions paid to the NEOs on Units granted under the Fund’s Long-Term Incentive Plan (the “LTIP”), which Units in that year are unvested and, pursuant to the terms of the LTIP, are held in trust for the benefit of the NEO (collectively, “distributions on LTIP compensation”). See the section entitled “Long-Term Incentive Plan” below.

For the year 2007, of the sum of \$38,666 received by Mr. Phillips, \$18,023 was received in respect of a car lease, car insurance and other car operating expenses, and \$20,643 was received in respect of distributions on LTIP compensation; of the sum of \$13,376 received by Mr. Slattery, \$7,877 was received in respect of a car lease, car insurance and other car operating expenses, and \$5,499 was received in respect of distributions on LTIP compensation; the sum of \$9,619 received by Ms. Boutcher was received in respect of a car lease, car insurance and other car operating expenses; of the sum of \$13,029 received by Mr. Howell, \$6,145 was received in respect of a car lease, car insurance and other car operating

expenses, and \$6,884 was received in respect of distributions on LTIP compensation; and of the sum of \$18,405 received by Mr. Cannon, \$13,242 was received in respect of a car lease, car insurance and other car operating expenses, and \$5,163 was received in respect of distributions on LTIP compensation.

For the year 2006, of the sum of \$30,244 received by Mr. Phillips, \$14,860 was received in respect of a car lease, car insurance and other car operating expenses, and \$15,384 was received in respect of distributions on LTIP compensation; of the sum of \$21,328 received by Mr. Slattery, \$13,635 was received in respect of a car lease, car insurance and other car operating expenses, and \$7,693 was received in respect of distributions on LTIP compensation; the sum of \$2,700 received by Ms. Boutcher was received in respect of a car lease, car insurance and other car operating expenses; of the sum of \$11,465 received by Mr. Howell, \$6,334 was received in respect of a car lease, car insurance and other car operating expenses, and \$5,131 was received in respect of distributions on LTIP compensation; and of the sum of \$10,947 received by Mr. Cannon, \$7,099 was received in respect of a car lease, car insurance and other car operating expenses, and \$3,848 was received in respect of distributions on LTIP compensation.

For the year 2005, of the sum of \$18,320 received by Mr. Phillips, \$13,698 was received in respect of a car lease, car insurance and other car operating expenses, and \$4,622 was received in respect of distributions on LTIP compensation; of the sum of \$16,962 received by Mr. Slattery, \$14,650 was received in respect of a car lease, car insurance and other car operating expenses, and \$2,312 was received in respect of distributions on LTIP compensation; of the sum of \$11,793 received by Mr. Howell, \$10,251 was received in respect of a car lease, car insurance and other car operating expenses, and \$1,542 was received in respect of distributions on LTIP compensation; and of the sum of \$11,808 received by Mr. Cannon, \$10,652 was received in respect of a car lease, car insurance and other car operating expenses, and \$1,156 was received in respect of distributions on LTIP compensation.

- (3) The amounts in this column represent the value of Units vested and received by the NEOs pursuant to the LTIP.

For the year 2007, the amounts in this column represent the value of Units vested and received by the NEOs in December 2007 in respect of their entitlements for the 2004, 2005 and 2006 Performance Periods (defined below). For the 2004 Performance Period, the remaining one-third of the 20,015 Units purchased by the Plan Administrator (defined below) on the open market for the LTIP participants in May 2005 vested with and were distributed to the NEOs in December 2007 in accordance with their entitlements as follows: Mr. Phillips received 2,001 Units, Mr. Howell received 668 Units and Mr. Cannon received 501 Units. For the 2005 Performance Period, an additional one-third of the 28,995 Units purchased by the Plan Administrator (defined below) on the open market for the LTIP participants in May 2006 vested with and were distributed to the NEOs in December 2007 in accordance with their entitlements as follows: Mr. Phillips received 2,899 Units, Mr. Howell received 967 Units, and Mr. Cannon received 725 Units. For the 2006 Performance Period, the Incentive Amount of \$409,582 was used by the Plan Administrator to purchase a total of 21,999 Units on the open market for the LTIP participants in April 2007. Of these 21,999 Units so purchased, the NEOs' entitlements were as follows: Mr. Phillips as to 6,599 Units, Mr. Howell as to 2,200 Units and Mr. Cannon as to 1,650 Units. In December 2007, one-third of these 21,999 Units vested with and were distributed to the NEOs in accordance with their entitlements as follows: Mr. Phillips received 2,201 Units, Mr. Howell received 733 Units and Mr. Cannon received 550 Units.

For the year 2006, the amounts in this column represent the value of Units vested and received by the NEOs in December 2006 in respect of their entitlements for the 2004 and 2005 Performance Periods. For the 2004 Performance Period, an additional one-third of the 20,015 Units purchased by the Plan Administrator on the open market for the LTIP participants in May 2005 vested with and were distributed to the NEOs in December 2006 in accordance with their entitlements as follows: Mr. Phillips received 2,001 Units, Mr. Slattery received 1,000 Units, Mr. Howell received 667 Units and Mr. Cannon received 500 Units. For the 2005 Performance Period, the Incentive Amount of \$540,900 was used by the Plan Administrator to purchase a total of 28,995 Units on the open market for the LTIP participants in April 2006. Of these 28,995 Units so purchased, the NEOs' entitlements were as follows: Mr. Phillips as to 8,696 Units, Mr. Slattery as to 4,349 Units, Mr. Howell as to 2,900 Units and Mr. Cannon as to 2,175 Units. In December 2006, one-third of these 28,995 Units vested with and were distributed to the NEOs in accordance with their entitlements as follows: Mr. Phillips received 2,898 Units, Mr. Slattery received 1,450 Units, Mr. Howell received 967 Units, and Mr. Cannon received 725 Units.

For the year 2005, the amounts in this column represent the value of Units vested and received by the NEOs in December 2005 in respect of their entitlement for the 2004 Performance Period. For the 2004 Performance Period, the Incentive Amount of \$271,438 was used by the Plan Administrator to purchase a total of 20,015 Units in the open market for the LTIP participants in May 2005. Of these 20,015 Units so purchased, the NEOs' entitlements were as follows: Mr. Phillips as to 6,003 Units, Mr. Slattery as to 3,002 Units, Mr. Howell as to 2,002 Units and Mr. Cannon as to 1,501 Units. In December 2005, one third of the 20,015 Units vested with and were distributed to the NEOs as follows: Mr. Phillips received 2,001 Units, Mr. Slattery received 1,001 Units, Mr. Howell received 667 Units and Mr. Cannon received 500 Units.

For the 2007 Performance Period, the Incentive Amount has been determined to be \$366,012. It is proposed that such Incentive Amount will be deposited with the Plan Administrator in April 2008 to purchase Units on the open market for the LTIP participants. Should each of the NEOs remain with the Fund throughout the vesting period, the NEOs' entitlements to the Units so purchased by the Plan Administrator with the Incentive Amount for the 2007 Performance Period are as follows: Mr. Phillips as to 30%, and Messrs. Howell and Cannon as to 10% each.

- (4) The amounts in this column represent annual contributions made by the Armtec Entities on behalf of the NEOs under the Armtec group registered retirement savings plan (the "Group RRSP"). The Group RRSP is available to all full-time salaried and hourly employees, including the NEOs. Each year employees can elect to contribute up to a certain percentage of their base salaries to the Group RRSP.
- (5) Mr. Slattery resigned from the Fund on June 30, 2007. The 2007 compensation reported for Mr. Slattery in the above table covers the period from January 1, 2007 to June 30, 2007.
- (6) Ms. Boutcher joined Armtec in August 2006 and was appointed the Vice President, Finance on August 22, 2006 and the Interim Chief Financial Officer on July 1, 2007. On March 6, 2008, Ms. Boutcher ceased to be the Interim Chief Financial Officer. The 2006 compensation reported for Ms. Boutcher in the above table covers the period from August 22, 2006 to December 31, 2006.

Long-Term Incentive Plan

In July 2004, the Trustees established the Long-Term Incentive Plan (the “LTIP”). Under the LTIP the Fund provides, to the extent certain conditions are met (see below), for a pool of funds (an “Incentive Amount”) to be set aside with Computershare Trust Company of Canada as the plan administrator of the LTIP (the “Plan Administrator”) to purchase Units on the open market in the year following a fiscal period (a “Performance Period”). The Units so purchased are held by the Plan Administrator in trust until they vest, at which time the Units are transferred to the LTIP participants to hold personally. An LTIP participant’s sharing entitlement, if any, in a Performance Period is determined at the beginning of the Performance Period or as soon as possible thereafter. Distributions received by the Plan Administrator on unvested Units held by the Plan Administrator in trust are transferred as received to the respective LTIP participant in relation to that individual’s sharing entitlement. Units held by the Plan Administrator vest as to one-third on the last day of each of the three fiscal periods ending immediately after the purchase of such Units by the Plan Administrator.

The Corporate Governance and Compensation Committee has the power to, among other things, determine (i) those individuals who participate in the LTIP, (ii) the level of participation of each participant, and (iii) the time or times when ownership of the Units vests for each participant

On December 18, 2006, the Trustees approved an amendment to the LTIP to provide, among other things, that commencing with the 2007 Performance Period, the Incentive Amount will be based upon the amount by which distributable cash for the then current Performance Period exceeds the distributable cash for the prior Performance Period calculated as follows: (i) 10% of the amount by which distributable cash for the Performance Period exceeds the distributable cash for the prior Performance Period by 5% or less, plus (ii) 15% of the amount by which distributable cash for the Performance Period exceeds the distributable cash for the prior Performance Period by 20% or less but more than 5%, plus (iii) 20% of the amount by which distributable cash for the Performance Period exceeds the distributable cash for the prior Performance Period by more than 20%. Distributable cash for a Performance Period is calculated based on the earnings before interest, taxes (other than capital taxes), depreciation and amortization for the Fund for such Performance Period, less interest expenses and maintenance capital expenses of the Fund, determined based on the consolidated financial statements and management’s discussion and analysis of the Fund for such Performance Period.

Initially, the Incentive Amount was based on the amount by which the Fund’s per Unit distributions exceeded \$1.20 per Unit per annum, which was pro rated for 2004. The threshold level for 2005 was established at distributions of \$1.20 per Unit per annum and for 2006 the threshold level was established at distributions of \$1.48 per Unit per annum.

As a result of the Fund’s per Unit 2006 distributions exceeding threshold amounts, an Incentive Amount of \$409,582 was approved in respect of the 2006 Performance Period with the acquisition of 21,999 Units completed by the LTIP Administrator in April 2007. As a result of the Fund’s per Unit 2005 distributions exceeding threshold amounts, an Incentive Amount of \$540,900 was approved with respect to the 2005 distributions with the acquisition of 28,995 Units completed by the LTIP Administrator in May 2006.

Under the amended incentive amounts calculation (as noted above), the 2007 incentive amount will be \$366,012 which will be used by the LTIP administrator to purchase units in April 2008.

As at the date hereof, 71,009 Units have been purchased by the LTIP Administrator and 43,128 Units have vested and have been transferred to the respective LTIP participants.

Employment Contracts

Charles M. Phillips. ALP entered into an employment agreement with Mr. Charles M. Phillips, the President and Chief Executive Officer of ALP, in March 2007. As at October 1, 2007, Mr. Phillips’ annual gross salary was increased to \$350,000. Mr. Phillips is also entitled to receive an annual performance-based bonus targeted at 75% of his annual gross salary and other benefits and perquisites, including participation in the LTIP and a short-term and long-term disability plan, a fitness club membership and a leased vehicle. If Mr. Phillips’ employment is terminated as a result of resignation (other than resignation for justification, which includes the assignment to him of any duties materially inconsistent with his current duties without his written consent, a material reduction in his annual base salary, benefits and perquisites or his ability to earn incentive compensation, or his ceasing to hold his current office (“resignation for Justification”)), retirement on or after attaining the age of 65, death or for termination for cause as determined by Ontario courts from time to time (“Just Cause”), he is only entitled to receive the salary, bonus, benefits and perquisites earned to the date of termination and the entitlements, if any, required by the Employment Standards Act (Ontario). If Mr. Phillips’ employment is terminated at any time by ALP without Just Cause or by resignation for Justification, he shall be entitled to receive immediately any unpaid salary, a bonus equal to the lesser of (a) his bonus for the year prior to termination, and (b) his target bonus for the year of termination, in either case pro rated to the date of termination, and a cash payment equal to the average of the LTIP awards to which he was entitled during the three previous financial years, pro rated to the date of termination or

resignation. In addition, Mr. Phillips is entitled to receive between 18 and 24 months' compensation (depending on his period of employment with ALP), including salary, bonus, LTIP payments and other benefits and perquisites, payable over such 18 to 24 month period. If Mr. Phillips' employment is terminated at any time within 12 months following a change of control (a) by ALP for any reason other than for Just Cause, or (b) by Mr. Phillips for Justification, ALP will immediately pay to him a lump sum equal to between 18 and 24 months' compensation (depending on his period of employment with ALP), including salary, bonus and LTIP payments, together with all salary, bonus and LTIP payments earned up to the date of his termination.

Thomas Cannon. In March 2007, ALP entered into an employment agreement with Mr. Thomas Cannon, the Vice-President, Operations of ALP, providing for the entitlement of Mr. Cannon to receive certain benefits in the event of the termination of his employment following a change of control. This agreement provides that if Mr. Cannon's employment is terminated at any time within 12 months following a change of control (a) by ALP for any reason other than for Just Cause, or (b) by Mr. Cannon for Justification, ALP will immediately pay to him a lump sum equal to 12 months' salary, together with any earned but unpaid salary and a bonus equal to the lesser of (a) his bonus for the year prior to termination, if any, and (b) his target bonus for the year of termination, in either case pro rated to the date of termination, as well as group health benefit coverage for 12 months, and certain perquisites including a leased vehicle.

Composition of the Corporate Governance and Compensation Committee

The Corporate Governance and Compensation Committee assists the Trustees in fulfilling their responsibilities relating to, among other things, the compensation of the trustees, directors and/or officers of the Armtec Entities, including the Named Executive Officers, and the Trustees. The Corporate Governance and Compensation Committee is currently comprised of Messrs. Michael Skea (Chair), Robert J. Wright and Robert H.R. Dryburgh. Each member of the Corporate Governance and Compensation Committee is "independent" within the meaning of applicable securities laws.

Report on Executive Compensation by the Corporate Governance and Compensation Committee

The Trustees have adopted a formal charter for the Corporate Governance and Compensation Committee that sets out the responsibilities, duties and authorities of the Committee. The Committee assists the Trustees in determining compensation of senior executive officers and all other key employees of the Fund and the Armtec Entities as well as reviewing the adequacy and form of Trustees' compensation; performs annual reviews of the President and Chief Executive Officer's corporate goals and objectives for the upcoming year; performs an appraisal of the President and Chief Executive Officer's performance; and administers and makes recommendations with respect to the Fund's incentive compensation plans.

The Committee's executive compensation philosophy is intended to provide a competitive level of compensation and to reward individual performance. The Fund's executive compensation program is composed of base salary as well as short-term and long-term incentive plan rewards (the "incentive plans"). The incentive plans are based on the achievement by the Fund of certain financial targets and on the achievement by the individual of personal goals and objectives. The LTIP is designed to attract, retain and motivate key personnel and encourage ownership of Units. See "Long-Term Incentive Plan" above. The short-term incentive plan is designed to achieve the growth and efficiencies required in the short-term.

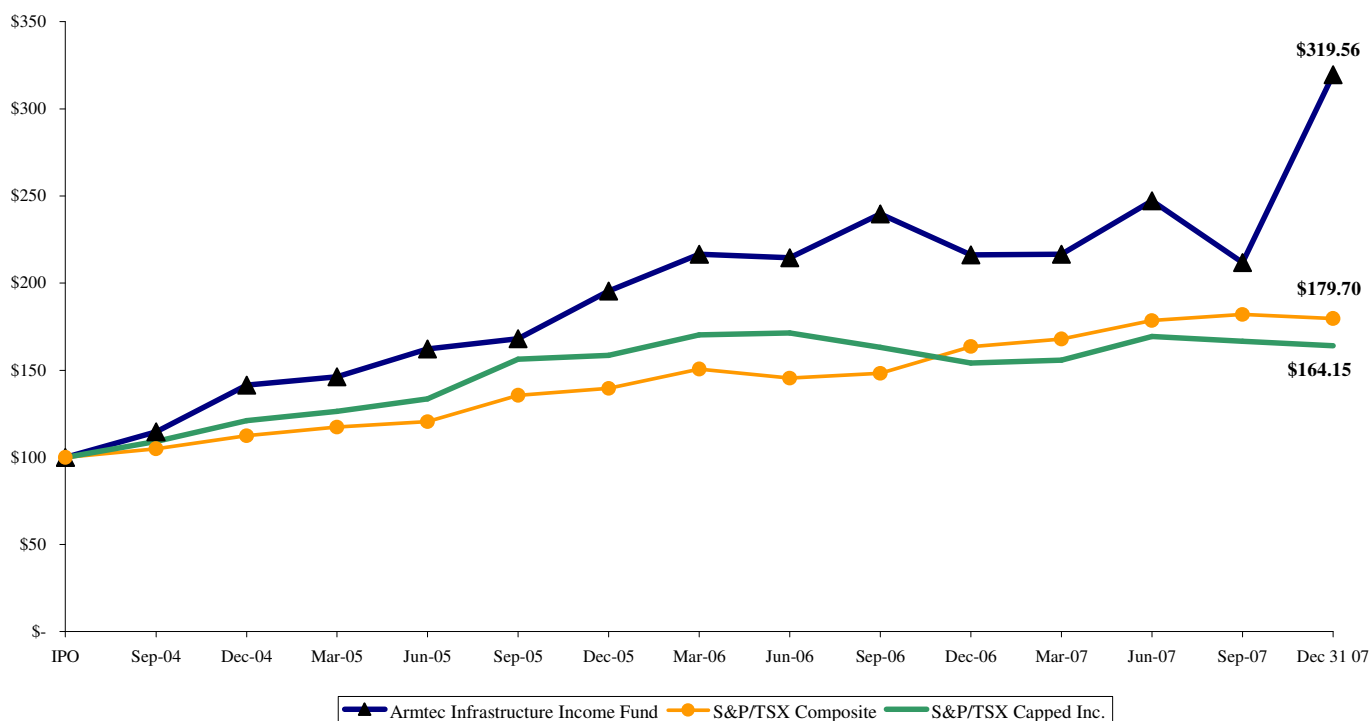
Base salaries are reviewed on an annual basis. This review considers the overall competitiveness of the current salary as well as the individual performance of the executive officer. The Committee may use third party consulting resources to assess the overall reasonability of the compensation package. As part of this annual review, the employment contract for Charles M. Phillips, the President and Chief Executive Officer, was amended in 2006 and further amended in 2007. See "Employment Contracts" above. The Trustees' compensation has been reviewed and updated effective January 1, 2007. See "Compensation of Trustees" below.

This report is submitted by the Corporate Governance and Compensation Committee.

Michael Skea, Chair
Robert J. Wright
Robert H.R. Dryburgh

Performance Graph

The following graph illustrates the total cumulative return to Unitholders for \$100 invested in Units of the Fund (assuming the reinvestment of distributions) with the total cumulative returns of the S&P/TSX Capped Income Trust Index and the S&P/TSX Composite Index for the period from July 27, 2004, when the Units were listed on the Toronto Stock Exchange (the “TSX”) for trading, to December 31, 2007.



As at the last trading day of each quarter from July 27, 2004 to December 31, 2007.

Compensation of Trustees

For 2007, each Trustee earned an annual fee of \$20,000 for serving as a Trustee, together with a fee of \$1,500 for attendance at each meeting of the Trustees. The Chairman of the Trustees earned an additional annual fee of \$25,000 and the Chairs of the Audit and the Corporate Governance and Compensation Committees earned an additional annual fee of \$15,000 and \$10,000, respectively. Each Trustee who is a member of a committee of the Trustees earned an additional fee of \$2,000 per annum for serving as a member of such committee together with a fee of \$1,000 for attendance at each meeting of any committee of the Trustees. Each Trustee travelling from outside of Ontario to attend a meeting of the Trustees and of committees of the Trustees received an additional fee of \$1,000 per meeting attended in person. All Trustees were reimbursed for out-of-pocket expenses for attending meetings of the Trustees, which, for 2007, totalled in the aggregate approximately \$7,288.

Trustees' Phantom Unit Plan

The Trustees have adopted a compensation plan for non-employee Trustees known as the Armtec Infrastructure Income Fund Trustees' Phantom Unit Plan (the “Phantom Plan”) effective June 15, 2006. Pursuant to the Phantom Plan, each eligible Trustee can elect once in each period between annual meetings of the Unitholders, to receive any or all of such Trustee's remuneration for serving as a Trustee (including such Trustee's annual retainer and fees payable for acting as the Chairman of the Trustees or as a Chair or member of a committee and for attendance at a Trustee or committee meeting) in respect of each calendar quarter in notional units (“Phantom Units”). The number of Phantom Units credited to the Trustee's account for the quarter is determined by dividing the amount of the quarterly remuneration for such quarter payable in Phantom Units (expressed in dollars) by the weighted average trading price of a Fund Unit on the TSX for the five trading days immediately preceding the date on which the Phantom Units are awarded, which is typically the last day of the end of such quarter. The Phantom Units accrue distribution credits in the form of additional Phantom Units as of each date on which distributions are made on the Fund Units. A Trustee can elect to redeem the Phantom Units in such Trustee's account at any time, however, in certain circumstances a Trustee is required to redeem such Trustee's Phantom Units. The Phantom Plan is intended to enhance the Fund's ability to attract and retain talented individuals to serve as Trustees of the Fund, to promote a greater alignment of interests between the Trustees and the Unitholders, and to allow the Trustees to participate in the long-term success of the Fund.

For the period from January 1, 2007 to December 31, 2007, Messrs. Wright, Jamieson, Lay and Richardson elected to take 100% of their quarterly retainer and meeting attendance fees in Phantom Units. Mr. Dryburgh elected to take 100% of his quarterly retainer in Phantom Units for the period January 1, 2007 to June 30, 2007. During 2007, a total of 13,453 Phantom Units were issued under the Phantom Plan.

Meetings of the Trustees and Committees of the Trustees

The following is a summary of the meetings of the Trustees and meetings of the committees of the Trustees held during 2007 and the attendance at these meetings by the current Trustees.

Name of Trustee	Trustee Meetings Attended	Audit Committee Meetings Attended	Corporate Governance and Compensation Committee Meetings Attended
Robert J. Wright	14 of 15	N/A	3 of 3
Robert H.R. Dryburgh	15 of 15	N/A	3 of 3
Brian W. Jamieson	14 of 15	4 of 4	N/A
Michael Lay	13 of 15	4 of 4	N/A
John E. Richardson	11 of 15	4 of 4	N/A
Michael Skea	15 of 15	N/A	3 of 3
Total Number of Meetings in 2007	15	4	3

The Audit Committee is currently comprised of Brian W. Jamieson (Chair), Michael Lay, and John E. Richardson. The Corporate Governance and Compensation Committee is currently comprised of Michael Skea (Chair), Robert J. Wright, and Robert H.R. Dryburgh.

Trustees, Directors and Officers' Insurance

The Trustees, the AOT Trustees, and the directors and officers of all of the Fund's subsidiary entities are covered under a directors' and officers' insurance policy that provides aggregate coverage to the insured individuals of \$40.0 million. In 2007, the total premium paid on the policy was \$172,403 and paid by Armtec.

The Fund's Declaration of Trust provides for the indemnification of their respective Trustees and the trustees, directors and officers of the Armtec Entities from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations.

CORPORATE GOVERNANCE DISCLOSURE

Over the past few years, there have been several changes to the corporate governance disclosure requirements. In particular, effective June 30, 2005, the Canadian Securities Administrators introduced in final form National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 – Corporate Governance Guidelines, effectively replacing the corporate governance guidelines and disclosure policies of the TSX. Under NI 58-101, the Fund is required to disclose certain information relating to its corporate governance practices. The Trustees consider good corporate governance to be central to the effective and efficient operation of the Fund and the Armtec Entities and are directly responsible for developing the Fund's approach to governance issues. In light of the structure of the Fund and its underlying business, which is carried on by the Armtec Entities, the Fund's approach to corporate governance is best addressed by the Trustees. This disclosure is set forth in Schedule "A" to this Information Circular.

ADDITIONAL INFORMATION ABOUT THE FUND

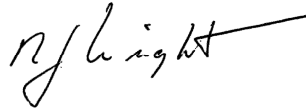
Additional information relating to the Fund is contained on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Unitholders may contact the Fund in writing at the Fund's office at 370 Speedvale Avenue West, Suite #3, Guelph, Ontario N1H 7M7, or by fax at (519) 822-8894, or by telephone at (519) 822-0210 to request copies of the Fund's financial statements and management's discussion and analysis. Such documents are also available on the Fund's website at

www.armtecincomefund.com. Financial information is contained in the Fund's comparative financial statements and management's discussion and analysis for the year ended December 31, 2007.

APPROVAL OF TRUSTEES

The contents of this Information Circular and the sending, communication or delivery thereof have been approved by the Trustees of the Fund.

By Order of the Trustees,

A handwritten signature in black ink, appearing to read "R. J. Wright", with a long horizontal flourish extending to the right.

Guelph, Ontario
March 14, 2008

Robert J. Wright
Chairman of the Trustees

**SCHEDULE “A”
CORPORATE GOVERNANCE DISCLOSURE**

For purposes of this Corporate Governance Disclosure, the “Fund” refers to Armtec Infrastructure Income Fund; the “Armtec Entities” refers to Armtec Operating Trust, together with Armtec AEP GP Limited, Armtec Exchangeable Partnership, Armtec Holdings Limited, Armtec Limited Partner Corp., and Armtec Limited Partnership; and “Management” refers to the officers and senior employees of the Armtec Entities. All other capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Information Circular of which this Schedule forms a part.

Corporate Governance Requirement Disclosure under NI 58-101	Fund’s Corporate Governance Disclosure										
1. Trustees											
(a) Disclose the identity of trustees who are independent.	<p>In accordance with NI 58-101, the Trustees consider a Trustee to be "independent" if he has no direct or indirect material relationship with the Fund or the Armtec Entities, as determined by the Trustees in consultation with the Corporate Governance and Compensation Committee. A "material relationship" is a relationship, which could, in the view of the Trustees, be reasonably expected to interfere with the exercise of a Trustee's independent judgement.</p> <p>Based upon the definition of independence and a review of the applicable factual circumstances, the Trustees, in consultation with the Corporate Governance and Compensation Committee, have determined that all of the Trustees are independent.</p>										
(b) Disclose the identity of trustees who are not independent, and describe the basis for that determination.	As indicated in (a) above, the current six Trustees are all independent.										
(c) Disclose whether or not a majority of trustees are independent. If a majority of trustees are not independent, describe what the trustees do to facilitate their exercise of independent judgement in carrying out their responsibilities.	As indicated in (a) above, the current six Trustees are all independent.										
(d) If a trustee is presently a trustee or director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the trustee and the other issuer.	<p>The following Trustees are currently trustees or directors of other reporting issuers in Canada as set forth below:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Robert J. Wright</td> <td>Teck Cominco Limited Resolve Business Outsourcing Income Fund</td> </tr> <tr> <td>Michael Lay</td> <td>BMONT Split Corp.</td> </tr> <tr> <td>John E. Richardson</td> <td>Research in Motion Limited Resolve Business Outsourcing Income Fund</td> </tr> <tr> <td>Brian W. Jamieson</td> <td>Route 1, Inc.</td> </tr> <tr> <td>Robert H.R. Dryburgh</td> <td>Strongco Income Fund</td> </tr> </table>	Robert J. Wright	Teck Cominco Limited Resolve Business Outsourcing Income Fund	Michael Lay	BMONT Split Corp.	John E. Richardson	Research in Motion Limited Resolve Business Outsourcing Income Fund	Brian W. Jamieson	Route 1, Inc.	Robert H.R. Dryburgh	Strongco Income Fund
Robert J. Wright	Teck Cominco Limited Resolve Business Outsourcing Income Fund										
Michael Lay	BMONT Split Corp.										
John E. Richardson	Research in Motion Limited Resolve Business Outsourcing Income Fund										
Brian W. Jamieson	Route 1, Inc.										
Robert H.R. Dryburgh	Strongco Income Fund										
(e) Disclose whether or not the independent trustees hold regularly scheduled meetings at which non-independent trustees and members of management are not in attendance. If the independent trustees hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent trustees do not hold such meetings, describe what the trustees do to facilitate open and candid discussion among their independent trustees.	<p>As indicated in (a) above, the current six Trustees are all independent.</p> <p>The Trustees meet independently of Management at the end of regularly scheduled Trustee meetings to discuss various operational and financial matters and at such other times as is required. During the year ended December 31, 2007, the Trustees met independently of Management five times.</p>										

Corporate Governance Requirement Disclosure under NI 58-101	Fund's Corporate Governance Disclosure
<p>(f) Disclose whether or not the chair of the trustees is an independent trustee. If the trustees have a chair or lead trustee who is an independent trustee, disclose the identity of the independent chair or lead trustee, and describe his or her role and responsibilities. If the trustees have neither a chair that is independent, nor a lead trustee that is independent, describe what the trustees do to provide leadership for their independent trustees.</p>	<p>Mr. Robert J. Wright, the non-executive Chairman of the Trustees (the "Chair"), is an independent Trustee.</p> <p>The Chair is responsible for providing leadership to the Trustees and setting the "tone" for the Trustees to foster effective, ethical and responsible decision-making, appropriate oversight of management and strong governance practices.</p>
<p>(g) Disclose the attendance record of each trustee for all trustees' meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>During the year ended December 31, 2007, there were 15 meetings of the Trustees, four meetings of the Audit Committee and three meetings of the Corporate Governance and Compensation Committee.</p> <p>The attendance record for 2007 for each Trustee is provided in the section entitled "Meetings of the Trustees and Committees of the Trustees" in the Information Circular.</p>
<p>2. Mandate of the Trustees</p>	
<p>Disclose the text of the trustees' written mandate. If the trustees do not have a written mandate, describe how the trustees delineate their role and responsibilities.</p>	<p>The Trustees have developed and approved a Trustees' Mandate, which provides that the primary function of the Trustees is to supervise the activities and manage the investments and the affairs of the Fund and of the Armtec Entities. In doing so, the Trustees' fundamental objectives are to enhance and preserve long-term unitholder value, to ensure that the Fund meets its obligations on an ongoing basis, and to ensure that the Fund and the Armtec Entities operate in a reliable and safe manner. The Trustees operate by delegating certain of their responsibilities and duties to Management or committees of the Trustees and by reserving certain responsibilities and duties to themselves. A copy of the complete text of the Trustees' Mandate is annexed hereto as Schedule "B".</p>
<p>3. Position Descriptions</p>	
<p>(a) Disclose whether or not the trustees have developed written position descriptions for the chair and the chair of each committee. If the trustees have not developed written position descriptions for the chair and/or the chair of each committee, briefly describe how the trustees delineate the role and responsibilities of each such position.</p>	<p>The Chair and the chair of each of the committees of the Trustees do not currently have written position descriptions.</p> <p>The Chair is responsible for providing leadership to the Trustees and setting the "tone" for the Trustees to foster effective, ethical and responsible decision-making, appropriate oversight of management and strong governance practices. The primary role of the chair of each committee is to lead the committee in fulfilling the duties set out in its charter.</p>
<p>(b) Disclose whether or not the trustees and CEO have developed a written position description for the CEO. If the trustees and CEO have not developed such a position description, briefly describe how the trustees delineate the role and responsibilities of the CEO.</p>	<p>The Trustees, in consultation with the President and Chief Executive Officer, have approved a written position description for the President and Chief Executive Officer effective March 2007. The primary responsibility of the President and Chief Executive Officer is to lead the development of the operational and strategic planning processes of the organization, to monitor the progress of the implementation of such planning processes against defined strategic objectives and goals, and to ensure that such planning processes are responsive to changes in capital markets and/or the competitive environment.</p> <p>The Trustees, with the advice and recommendation of the Corporate Governance and Compensation Committee, are responsible for developing corporate goals and objectives that the CEO is responsible for meeting on an annual basis, monitoring and assessing the CEO's performance in light of those corporate goals and objectives, and determining CEO compensation.</p>

Corporate Governance Requirement Disclosure under NI 58-101	Fund's Corporate Governance Disclosure
<p>4. Orientation and Continuing Education</p>	
<p>(a) Briefly describe what measures the trustees take to orient new trustees regarding (i) the role of the trustees and their committees, and (ii) the nature and operation of the issuer's business.</p>	<p>The Corporate Governance and Compensation Committee is responsible for ensuring there is an orientation and education program for new Trustees in place. All Trustees, including new Trustees, receive a Trustees' reference binder, which includes copies of historical and current material documents relating to the Fund and the Armtec Entities, including the Fund's Declaration of Trust, the Trustees' Mandate and the charters of the Trustees' committees, recent public company filings, and the Fund's Whistleblower Policy. To ensure ongoing orientation and education for both new and existing Trustees, Trustee meetings are held from time to time at other sites at which the Armtec Entities conduct business in order to combine a tour of the Armtec Entities' facilities with the Trustees' meeting. In addition, Management makes regular presentations at Trustees' meetings on various topics including business opportunities, financial and operational matters, environmental issues, legal issues and health and safety issues.</p>
<p>(b) Briefly describe what measures, if any, are taken to provide continuing education for the trustees. If continuing education is not provided, describe how the trustees ensure that they maintain the skill and knowledge necessary to meet their obligations as trustees.</p>	<p>The Trustees receive regular updates regarding corporate governance standards and other relevant information from the Fund's professional advisors when appropriate. The Audit Committee also receives regular financial accounting and reporting updates from the Fund's auditors.</p> <p>All Trustees receive updates and information on the Fund's operations through regular presentations from Management.</p>
<p>5. Ethical Business Conduct</p>	
<p>(a) Disclose whether or not the trustees have adopted a written code for the trustees, officers and employees. If the trustees have adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the trustees monitor compliance with the code, or if the trustees do not monitor compliance, explain whether and how the trustees satisfies themselves regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed fiscal year that pertains to any conduct of a trustee or executive officer that constitutes a departure from the code.</p> <p>(b) Describe any steps the trustees take to ensure that they exercise independent judgment in considering transactions and agreements in respect of which a trustee or executive officer has a material interest.</p> <p>(c) Describe any other steps the trustees take to encourage and promote a culture of ethical business conduct.</p>	<p>The Trustees have adopted a written code of business conduct and ethics, which applies to all Trustees and all directors, trustees, officers and employees of the Armtec Entities. The code of business conduct and ethics addresses such matters as conflicts of interest, protection and proper use of corporate assets, use of e-mail and internet services, corporate opportunities, confidentiality and corporate information, fair dealing and compliance with applicable laws, rules and regulations. Any Trustee, or any director, trustee, officer or employee of any of the Armtec Entities who knows of or suspects a violation of the code of business conduct and ethics or any applicable laws or regulations is required to immediately report this information to a member of Management or the Audit Committee. The code of business conduct and ethics provides that no one will be subject to retaliation because of a good faith report of suspected misconduct.</p> <p>All new Trustees and all new directors, trustees, officers and employees of the Armtec Entities receive a copy of the code of business conduct and ethics. The code of business conduct and ethics has also been filed on and is accessible through SEDAR at www.sedar.com.</p>

Corporate Governance Requirement Disclosure under NI 58-101	Fund's Corporate Governance Disclosure
<p>5. Ethical Business Conduct - Continued</p>	
	<p>The Trustees are responsible for monitoring compliance with the code of business conduct and ethics and for interpreting it in any particular situation. Any waiver of a provision of the code of business conduct and ethics may only be made by the Trustees and will be promptly disclosed to the public as required by law or regulation. No such waivers have been granted as at the date hereof. The Trustees are also responsible for regularly assessing the adequacy of the code of business conduct and ethics and for approving changes to it from time to time.</p> <p>The Declaration of Trust contains "conflict of interest" provisions that serve to protect Unitholders. The Declaration of Trust provides that if a Trustee or an officer of the Fund is a party to a material contract or transaction or proposed material contract or transaction with the Fund, or is a director or officer or an individual acting in a similar capacity of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund, other than any Armtec Entity, such Trustee or officer of the Fund, as the case may be, shall disclose in writing to the Trustees or request to have entered in the minutes of meetings of Trustees the nature and extent of such interest. Except in certain specified circumstances, a Trustee who is a party to or so interested in such a material contract or transaction will be precluded from voting on such a material contract or transaction but the presence of such Trustee at the relevant meeting shall be counted towards any quorum requirement. In practice, the Trustee or officer will also excuse himself from any discussion with respect to any matter in which the Trustee or officer has a conflict of interest.</p>
<p>6. Nomination of Trustees</p>	
<p>(a) Describe the process by which the trustees identify new candidates for nomination.</p> <p>(b) Disclose whether or not the trustees have a nominating committee composed entirely of independent trustees. If the trustees do not have a nominating committee composed entirely of independent trustees, describe what steps the trustees take to encourage an objective nomination process.</p> <p>(c) If the trustees have a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Corporate Governance and Compensation Committee, which is composed entirely of "independent" Trustees, is responsible for identifying and recommending to the Trustees suitable trustee candidates. In making its recommendations, the Corporate Governance and Compensation Committee considers the competencies and skills that the Trustees, as a group, should possess, assesses the skill sets of current Trustees and identifies any additional skill sets deemed to be beneficial when considering trustee candidates in light of the opportunities and risks facing the Fund. The Corporate Governance and Compensation Committee also considers whether the current number of Trustees facilitates effective decision-making. The Corporate Governance and Compensation Committee maintains a list of potential trustee candidates for its future consideration and may engage outside advisors to assist in identifying qualified candidates. Potential candidates will be screened to ensure that they have the attributes of: integrity and accountability, ability to engage in informed judgment, financial literacy, excellent communication skills, and the ability to work effectively as a team.</p>

Corporate Governance Requirement Disclosure under NI 58-101	Fund's Corporate Governance Disclosure
<p>7. Compensation</p>	
<p>(a) Describe the process by which the trustees determine the compensation for the issuer's trustees and officers.</p> <p>(b) Disclose whether or not the trustees have a compensation committee composed entirely of independent trustees. If the trustees do not have a compensation committee composed entirely of independent trustees, describe what steps the trustees take to ensure an objective process for determining such compensation.</p> <p>(c) If the trustees have a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The Corporate Governance and Compensation Committee, which is composed entirely of "independent" Trustees, is responsible for making recommendations to the Trustees in respect of compensation to be paid to the Trustees and Management of the Armtec Entities.</p> <p>In making its recommendations regarding Trustee compensation, the Corporate Governance and Compensation Committee considers the form and amount of Trustee compensation, which is customary for comparative organizations having regard for such matters as time commitment and the responsibility and risks involved in being an effective Trustee. The Corporate Governance and Compensation Committee is mandated to review the compensation of the Trustees on this basis annually.</p> <p>In making its recommendations regarding CEO compensation, the Corporate Governance and Compensation Committee considers the CEO's performance in light of the corporate goals and objectives relevant to CEO compensation, which the committee reviews and approves on an annual basis. In making its recommendations regarding other Management compensation, the Corporate Governance and Compensation Committee, considers those matters described under the heading "Executive Compensation – Report on Executive Compensation". The Corporate Governance and Compensation Committee is also responsible for making recommendations to the Trustees with respect to the Armtec Entities' incentive compensation plans and equity-based plans, including recommendations concerning the individuals entitled to participate in the LTIP, the granting of participation units under the LTIP and the appointment of a Plan Administrator of the LTIP. The Corporate Governance and Compensation Committee is also responsible for reviewing and approving executive compensation disclosure before it is publicly disclosed.</p>
<p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's trustees and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>The firm of Watson Wyatt was retained in late 2007 to extract and analyze key executive compensation data by a number of comparable market segments. Data was captured and presented for base salary / actual pay and total cash compensation. This analysis was used to supplement recommended executive (non-CEO) compensation increases for January 1, 2008.</p> <p>Watson Wyatt was also retained in 2007 to complete similar work for benchmark positions across the Armtec division of ALP in the determination of 2008 salary compensation.</p>

Corporate Governance Requirement Disclosure under NI 58-101	Fund's Corporate Governance Disclosure
<p>8. Other Committees</p>	
<p>If the trustees have standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The only standing committees of the Trustees are the Audit Committee and the Corporate Governance and Compensation Committee. Information concerning the Audit Committee of the Trustees, including the complete text of its charter, the composition of the Audit Committee and relevant education and experience of its members, its pre-approval of non-audit services policy and a summary of external auditor service fees, is set forth in the Fund's annual information form for the financial year ended December 31, 2007 under the heading "Information Concerning the Fund – Audit Committee of the Trustees".</p> <p>In addition to the standing committees of the Trustees noted above, the Fund has established a disclosure committee, the members of which are currently the Vice President, Finance, Vice President of Sales & Marketing, Vice President of Operations, and Manager of Treasury, Planning and Administration. The disclosure committee meets on a regular basis with the goal of ensuring that communications to the investing public concerning the Fund and the Armtec Entities are timely, factual and accurate. In particular, the disclosure committee reviews the draft annual and interim financial statements, management's discussion & analysis, press releases, and disclosure controls, and makes reports to the Audit Committee. The Audit Committee in turn provides the Trustees with a summary of the disclosure committee's reports, procedures and activities.</p>
<p>9. Assessments</p>	
<p>Disclose whether or not the trustees and their committees are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Trustees satisfy themselves that the Trustees and their committees are performing effectively.</p>	<p>The Corporate Governance and Compensation Committee is responsible for reviewing on an annual basis the effectiveness of the Trustees as a whole, the committees of the Trustees and the individual Trustees. Each year, the Committee makes an informal survey of the Trustees, by way of discussions with individual Trustees, with a view to providing feedback on the performance of the Trustees, the committees and the individual Trustees. The Committee then makes recommendations to the Trustees based on the feedback provided from such Trustees to enhance the Trustees' performance.</p>

SCHEDULE "B"

TRUSTEES' MANDATE

PURPOSE

The primary function of the trustees (the "Trustees") of Armtec Infrastructure Income Fund (the "Fund") is to supervise the activities and manage the investments and the affairs of the Fund and those of the Fund's subsidiaries and controlled entities. In doing so, the Trustees' fundamental objectives are to enhance and preserve long-term unitholder value, to ensure that the Fund meets its obligations on an ongoing basis and to ensure that the Fund and the Fund's subsidiaries and controlled entities operate in a reliable and safe manner.

PROCEDURE AND ORGANIZATION

The Trustees operate by delegating certain of their responsibilities and duties to management or committees of the Trustees and by reserving certain responsibilities and duties to themselves. In addition to regular committees of the Trustees, the Trustees may appoint ad hoc committees periodically to address issues of a more short-term nature. The Trustees retain the responsibility for managing their own affairs including selecting their Chair, nominating candidates for election as Trustees, setting Trustee compensation, constituting committees of the Trustees and committee charters.

RESPONSIBILITIES AND DUTIES

The Trustees' principal responsibilities and duties fall into a number of categories, which are outlined below.

Responsibilities and Duties Pursuant to the Fund's Declaration of Trust

Pursuant to the Fund's amended and restated declaration of trust dated July 27, 2004 (the "Declaration of Trust"), the Trustees are responsible for, among other things:

- (a) supervising the activities and managing the investments and the affairs of the Fund;
- (b) maintaining records and providing reports to the unitholders;
- (c) approving the financial statements of the Fund and the Management's Discussion and Analysis accompanying such financial statements;
- (d) effecting distributions from the Fund to unitholders;
- (e) effecting the payment of the redemption or repurchase price for Units;
- (f) considering and approving all major decisions affecting the Fund and its subsidiaries and controlled entities including all acquisitions, dispositions, capital expenditures, debt financing and the issuance of Units; and
- (g) acting in accordance with their obligations contained in the Fund's Declaration of Trust, the securities laws of each province of Canada and other relevant legislation and regulations.

The Declaration of Trust provides that the Trustees must act honestly and in good faith with a view to the best interests of the Fund and in connection therewith must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Strategy Determination

The Trustees shall ensure there are long-term goals and a strategic planning process in place for the Fund and shall participate with management directly or through their committees in developing and approving, on an annual basis, the strategy by which they propose to achieve these goals (taking into account, among other things, the opportunities and risks of the business in which the Fund and its subsidiaries and controlled entities are engaged).

Managing Risk

The Trustees shall be responsible for safeguarding the assets and business of the Fund. It is incumbent on the Trustees to understand the principal risks of the business in which the Fund and its subsidiaries and controlled entities are engaged, to achieve a proper balance between risks incurred and the potential return to unitholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Fund.

Appointment, Training and Monitoring Senior Management

The Trustees shall:

- (a) appoint the CEO; with the advice of the Compensation and Corporate Governance Committee, develop corporate goals and objectives that the CEO is responsible for meeting, monitor and assess CEO performance in light of those corporate goals and objectives and determine CEO compensation; and provide advice and counsel in the execution of the CEO's duties;
- (b) approve the appointment of all corporate officers; and approve, upon the recommendation of the Compensation and Corporate Governance Committee and the CEO, the remuneration of all corporate officers;
- (c) approve, upon the recommendation of the Compensation and Corporate Governance Committee, incentive-compensation plans and equity-based plans; and
- (d) ensure that adequate provision has been made to train and develop management and for the orderly succession of management, including the CEO.

Ensuring Integrity

The Trustees shall satisfy themselves as to the integrity of the CEO and other senior officers and shall ensure that the CEO and other senior officers are creating a culture of integrity throughout the Fund and its subsidiaries and controlled entities.

Policies, Procedures and Compliance

The Trustees shall:

- (a) ensure that the Fund and its subsidiaries and controlled entities operate at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) ensure the Fund and its subsidiaries and controlled entities set appropriate environmental standards in their operations and are in compliance with environmental laws and legislation;
- (c) ensure the Fund and its subsidiaries and controlled entities have a high regard for the health and safety of their employees in the workplace and have in place appropriate programs and policies;
- (d) examine the corporate governance practices observed within the Fund and alter such practices when circumstances warrant; and
- (e) approve and monitor compliance with policies and procedures adopted by the Trustees.

Reporting and Communication

The Trustees shall:

- (a) ensure that the Fund has in place policies and programs to enable the Fund to communicate effectively with its unitholders, other stakeholders and the public generally;
- (b) ensure that the financial performance of the Fund is adequately reported to unitholders and regulators on a timely and regular basis;
- (c) ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- (d) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Fund; and
- (e) report annually to unitholders on its stewardship of the affairs of the Fund for the preceding year.

Monitoring and Acting

The Trustees shall:

- (a) monitor the Fund's progress towards its goals and objectives and revise and alter its direction through management in response to changing circumstances;
- (b) take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- (c) ensure that the Fund has implemented adequate internal control and management information systems which ensure the effective discharge of its responsibilities;
- (d) assess the individual performance of each Trustee as well as the collective performance of the Trustees; and
- (e) oversee the number and composition of the Trustees to facilitate more effective decision-making.

TRUSTEES' EXPECTATIONS OF MANAGEMENT

The Trustees expect each member of management to perform his or her duties, as may be reasonably assigned by the Trustees from time to time, faithfully, diligently, to the best of his or her ability and in the best interests of the Fund and its subsidiaries and controlled entities. Each member of management is expected to devote substantially all of his or her business time and efforts to the performance of such duties. Management is expected to act in compliance with and to ensure that the Fund and its subsidiaries and controlled entities are in compliance with any and all laws, rules and regulations applicable to them.

MEETINGS

The Trustees shall meet on at least a quarterly basis and shall hold additional meetings as required or appropriate to deal with other issues. In addition, the Trustees shall meet on an annual basis to deal with strategic planning on behalf of the Fund. Financial and other information shall be made available to the Trustees in advance of Trustee meetings in order to assure effectiveness of action at such meetings. Attendance at meetings shall be recorded.

Management may be asked to participate in any meeting of the Trustees but in such event the Trustees are expected to meet separately from management immediately before and after such meeting to ensure that the Trustees function independently of management.

EVALUATION

Each of the Trustees is expected to agree to an evaluation of his or her individual performance as well as to a review of the collective performance of the Trustees and of each committee of the Trustees. In that regard, each year an informal survey is to be undertaken, which compares: (a) the performance of the Trustees to this mandate; (b) the performance of the committees of the Trustees to their respective charters; and (c) the performance of Trustees to their applicable position descriptions and expected competencies and skills. Trustees shall be encouraged to exercise their duties and responsibilities in a manner that is consistent with this mandate and with the best interests of the Fund and its unitholders generally.

RESOURCES

The Trustees shall have the authority to retain independent legal, accounting and other consultants to advise it. The Trustees may request any officer or employee of the Fund and its subsidiaries and controlled entities or its outside counsel or the external/internal auditors to attend a meeting of the Trustees or to meet with any members of, or consultants to, the Trustees.

An individual Trustee shall be permitted to engage an outside legal or other adviser at the expense of the Fund where for example he or she is placed in a conflict position through activities of the Fund, but any such engagement shall be subject to the prior approval of the Compensation and Corporate Governance Committee.

**Approved by the Trustees on
March 9, 2005**

**As amended on
March 8, 2007**