

CANAM
GROUP

Better Building Solutions

Notice of
Annual General Meeting
of Shareholders

Wednesday, April 30, 2008





11535, 1^{er} Avenue, bureau 500
Saint-Georges (Québec) G5Y 7H5

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of CANAM GROUP INC. (the "Company") will be held on April 30, 2008 at 11:00 a.m. at the Georgesville Convention Center at 300 – 118th Street in St. Georges, Province of Quebec, Canada, for the following purposes:

- 1) to receive the consolidated financial statements for the year ended December 31, 2007 and the auditors' report thereon;
- 2) to elect the directors;
- 3) to appoint the auditors and authorize the directors to determine their remuneration; and
- 4) to transact such other business as may duly be brought before the Meeting.

Shareholders can exercise their voting rights by attending the Meeting or by appointing a representative. In order to ensure the registration of their vote, shareholders are requested to complete and sign the enclosed form of proxy and return it to the Secretary of the Company no later than April 28, 2008 at 11:00 a.m. in the envelope provided for that purpose, even if they intend to attend the Meeting. As provided on the proxy form, a shareholder may elect to vote by telephone or via the Internet. If a shareholder attends in person and wishes to vote at the Meeting, his proxy will be canceled and he will be able to vote in person on any matter duly brought before the Meeting.

As stipulated in the General By-Laws of the Company, only shareholders of record at the close of business five business days before the mailing hereof are entitled to receive this Notice.

St. Georges, Quebec

March 28, 2008

By order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Louis Guertin", written in a cursive style.

Louis Guertin
Vice President, Legal Affairs, and Secretary

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MANAGEMENT PROXY CIRCULAR

1. Solicitation of Proxies

This Management Proxy Circular is provided in connection with the solicitation of proxies made by the management of Canam Group Inc. (the "Company") to be used at the Annual General Meeting of Shareholders of the Company (the "Meeting") to be held in St. Georges (Quebec) on Wednesday, April 30, 2008 at 11:00 a.m., or any adjournment thereof, at the place and for the purposes set forth in the foregoing Notice of Meeting (the "Notice"). Unless stated otherwise, the information contained herein is given as at March 4, 2008.

The solicitation will be made primarily by mail, but employees of the Company may also solicit proxies through the Internet, by telephone or in person. The Company will bear the cost of the solicitation.

2. Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors or officers of the Company. A shareholder may appoint as his representative any person other than those named in the form of proxy. To exercise this right, the shareholder must write the name of the person of his choice in the blank space provided for this purpose in the form of proxy. A proxyholder need not be a shareholder of the Company. In order to be valid, the form of proxy must be received at the Company's head office or to the office of the registrar and transfer agent for the common shares of the Company, Computershare Investor Services Inc. ("Computershare"), no later than April 28, 2008 at 11:00 a.m.

A shareholder may revoke in writing his proxy at any time before it is used. Any such instrument must be delivered either to the head office of the Company or to the office of Computershare no later than the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof.

3. Voting by Proxy

The persons named in the enclosed form of proxy will vote the shares as per the instructions of the shareholder. In the absence of instructions to the contrary, the votes attached to the shares represented by such proxy will be cast IN FAVOUR of all the matters subject to a vote.

Should any other matter be duly brought before the Meeting, the enclosed form of proxy confers upon its holders the discretionary power to vote on such matters as they see fit. As at the date of this Circular, management knows of no amendment, modification or other matter that may be brought before the Meeting.

4. Voting Shares

The authorized share capital of the Company consists of an unlimited number of common voting shares without par value ("common shares"), an unlimited number of Class "D" shares without par value, an unlimited number of Class "E" shares without par value and an unlimited number of Class "F" shares without par value. Class "D", Class "E" and Class "F" shares may be issued in one (1) or more series, the conditions of each of which will be determined by the directors at the time of issuance. If these shares are voting shares, they may only confer one (1) vote per share upon their holder. Each common share confers upon its holder the right to one (1) vote per share at the Meeting.

As at March 4, 2008, there were 49,367,306 common shares of the Company issued and outstanding.

Holders of common shares registered on the list of shareholders drawn up at the close of business, Montreal (Quebec) time, on March 25, 2008, or their duly named proxyholder, will be entitled to vote at such meeting or at any adjournment thereof if present. Any person who acquires common shares after March 25, 2008 will be entitled to vote at the Meeting by producing duly endorsed share certificates representing the common shares thus acquired, or otherwise proving his title to the common shares, to the Secretary at the head office of the Company, no later than the day before the Meeting, and by requiring the registration of his name on the list of shareholders entitled to vote at the Meeting.

5. Principal Shareholders

The following table indicates (i) the names of the persons who, to the knowledge of the Company's directors and executive officers, beneficially own, directly or indirectly, or control more than 10% of the voting shares, that is, of the common shares, of the Company and (ii) the number and percentage of common shares beneficially owned or controlled by each such person.

Name	Number of Common Shares Held or Controlled	Percentage of Common Shares
CDS & Co.	41,213,243 ⁽¹⁾	83.48%
Marcel Dutil ⁽²⁾	7,295,496	14.78%

(1) Excluding 3,234,385 common shares held for Mr. Marcel Dutil.

(2) The shares are held by Placements CMI Inc. and its subsidiary 9085-6063 Québec Inc., which are indirectly controlled by Mr. Marcel Dutil.

6. Election of Directors

Eleven (11) directors are to be elected at the Meeting and will remain in office until the next Annual Meeting or until their successors are elected or appointed. The persons named in the enclosed form of proxy intend to vote for the election as director of each of the nominees whose names appear in the table below.

Management has no reason to believe that any of these nominees will be unable to serve on the Board of Directors. However, should such a situation arise, the persons named in the enclosed form of proxy intend to vote for such other nominee as they may see fit, unless instructed in the form of proxy to abstain from voting with respect to the election of directors.

The following table provides the names of the nominees for the position of director and, for each nominee, lists: the place of residence; the position currently held within the Company, where applicable; the present principal occupation and the names of any other reporting issuers where the candidate is a director; the period in which he has acted as director; and the number of common shares of the Company beneficially owned, directly or indirectly, or controlled by each such person.

Name and Municipality of Residence	Present Principal Occupation and Names of Other Reporting Issuers Where Candidate is a Director	Director Since	Number of Common Shares of the Company Held or Controlled
Élaine Beaudoin Westmount, Quebec ^{(1) (4)}	Corporate Director Ms. Beaudoin is also a director of LMS Medical Systems Inc.	2000	10,000
Anne-Marie Dutil Blatchford Westmount, Quebec	Corporate Director	1998	1,000
Marc Dutil St. Georges, Quebec	President and Chief Operating Officer Canam Group Inc.	2002	42,250
Marcel Dutil, C.M. Montreal, Quebec	Chairman of the Board and Chief Executive Officer Canam Group Inc. Mr. Dutil is also a director of National Bank of Canada and The Jean Coutu Group (PJC) Inc.	1972	7,295,496
Pierre Lortie, C.M. St. Lambert, Quebec ^{(1) (5) (4)}	Senior Advisor, Business Fraser Milner Casgrain, LLP (law firm) Mr. Lortie is also a director of Altair Nanotechnologies, Inc.	2004	73,200
Pierre Marcouiller Magog, Quebec ⁽²⁾	Chairman of the Board and Chief Executive Officer Camoplast Inc. (road and off-road vehicle parts manufacturer) Mr. Marcouiller is also a director of EXFO Electro-Optical Engineering Inc.	2007	---
Normand Morin Montreal, Quebec ^{(2) (3)}	Corporate Director Mr. Morin is also a director of Roctest Ltd.	2005	8,000
Robert Parizeau Montreal, Quebec ^{(1) (2) (4)}	Corporate Director Mr. Parizeau is also a director of Power Corporation of Canada Inc.	1990	40,000
Pierre Thabet St. Georges, Quebec ⁽²⁾	President Boa-Franc, G.P. (wood flooring manufacturer)	2006	541,385
Jean-Marie Toulouse Town of Mount Royal, Quebec ^{(1) (4)}	Professor HEC Montréal (university)	2006	750
Jean Turmel Montreal, Quebec ⁽¹⁾	President Perseus Capital Inc. (fund management company) Mr. Turmel is also a director of Alimentation Couche-Tard Inc. and the Montréal Exchange	2006	20,000

(1) Member of the Audit Committee

(2) Member of the Human Resources Committee

(3) Member of the Corporate Governance Committee

(4) Member of the Investment-Monitoring Committee

To the knowledge of the Company, no director or executive officer of the Company, or no shareholder owning a sufficient number of shares in the Company to have a material impact on the control of the Company, is, at the date of this Circular, or has been, within ten (10) years prior to the date of this Circular, a director or executive officer of the Company or any other company which, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of that person, with the exception of a) Mr. Marcel Dutil, who sat on the Board of Directors of Total Containment, Inc. when that corporation filed for bankruptcy under Title 11 (Bankruptcy) of the United States Code on March 4, 2004, and b) Mr. Paul Gobeil, who sat on the board of directors of BridgePoint International Inc. and its wholly-owned subsidiary, BridgePoint International (Canada) Inc., until November 12, 2001. BridgePoint International (Canada) Inc. filed a proposal in bankruptcy on January 25, 2002 with its creditors, and on January 31, 2002 the Toronto Stock Exchange notified BridgePoint International Inc. that it would halt the trading of its shares. Mr. Paul Gobeil will not be seeking re-election as a director of the Company at the Meeting.

Mr. Marc Dutil joined the Company in 1989 as Information Systems Project Manager. Before his appointment in 2003 to his current position, he was Vice President of the Company and President of Steel Plus Network, a division of the Company which has since been sold.

Mr. Marc Dutil and Ms. Anne-Marie Dutil Blatchford are the children of Mr. Marcel Dutil. The number of common shares of the Company beneficially owned, directly or indirectly, or controlled by each of these persons is shown in the table under this item. Not one of these three individuals controls the shares held or controlled by the other two individuals.

Mr. Pierre Lortie served as a director of the Company from 1990 to 2003.

The number of meetings held by the Board of Directors, the record of attendance of directors at meetings, and the number of meetings of the independent directors appear in Schedule "A" accompanying this Circular.

7. Executive Compensation

7.1 Summary of Compensation Table

The following table shows, in accordance with applicable legislation, the total compensation earned over the last three financial years by the Chief Executive Officer, the Chief Financial Officer and the next three most-highly compensated executive officers of the Company and its subsidiaries (the "Named Executive Officers") for the financial year ended December 31, 2007.

Name and Principal Position of the Named Executive Officers	Year	Annual Compensation			Long-term Compensation	All Other Compensation
		Salary ^{(1) (2)}	Bonus ^{(3) (4)}	Other Annual Compensation ⁽⁵⁾	Awards Securities Under Options ⁽⁶⁾	
		\$	\$	\$		\$
Marcel Dutil Chairman of the Board and Chief Executive Officer	2007	535,000	719,040	---	---	---
	2006	515,000	623,150	---	---	---
	2005	500,000	1,003,000	---	---	---
Charles Pinel Vice President and Chief Financial Officer	2007	235,208	161,267	---	---	---
	2006	231,975	140,345	---	---	---
	2005	157,693 ⁽⁷⁾	120,600	---	---	---
Daniel Paillé ⁽⁸⁾ Former Vice President and Chief Financial Officer	2007	---	---	---	---	---
	2006	---	---	---	---	---
	2005	150,769	---	---	---	440,000
Marc Dutil President and Chief Operating Officer	2007	400,000	537,600	---	---	---
	2006	365,000	441,650	---	---	---
	2005	345,000	422,100	---	---	---
Mario Bernard President Canam Canada and Structural	2007	328,016	526,925	---	---	---
	2006	320,000	334,408	---	---	---
	2005	320,000	337,000	---	---	---
Sam Blatchford President Hambro and Canam Steel Corporation	2007	314,485	428,769	---	---	---
	2006	303,850	487,679	---	---	---
	2005	295,000	473,000	---	---	---

(1) The salary represents the cumulative salary earned to December 31 of the reference financial year.

(2) The income taxes deducted from the salaries and the bonuses paid to the Named Executive Officers for the 2007 financial year totaled \$1,345,000.

(3) The bonus is based on the actual salary paid in December of the reference year.

(4) For each of the Named Executive Officers, with the exception of Mr. Daniel Paillé, and for each of the 2005, 2006 and 2007 financial years, an amount equal to 30% of the bonuses paid under the Medium-Term Incentive Plan of the Company is deposited into a Trust (see paragraph 9.2 c) in this Circular). With these funds, the Trust purchases common shares in the Company on the secondary market for and on behalf of the beneficiary. To receive the shares, the Named Executive Officer must be employed by the Company on the date the shares are distributed by the Trust.

(5) The value of the direct and indirect benefits of each Named Executive Officer is lower than the lesser of \$50,000 or 10% of the annual salary, plus bonuses.

(6) Securities: common shares

(7) Mr. Charles Pinel joined the Company on March 21, 2005. His annual salary was \$200,000 for the 2005 financial year.

(8) Mr. Daniel Paillé left the Company on May 15, 2005 and continued to receive his salary until July 15, 2005. At the time of his departure, Mr. Paillé received an indemnity of \$440,000.

7.2 Options Granted During the Most Recently Completed Financial Year

During the financial year ended December 31, 2007, the Company granted no options to purchase common shares of the Company for the purposes of its Stock Option Purchase Plan for Key Employees. In 2004, the Company decided to cease granting options. Employees already holding stock options will retain such options until their maturity date.

The Stock Option Purchase Plan for Key Employees is described in Paragraph 9.2 d) under Item 9 of this Circular.

7.3 Options Exercised and Number and Value of Unexercised Options at the End of the Most Recently Completed Financial Year

The following table shows, for each of the Named Executive Officers employed by the Company, the number of common shares of the Company for which stock options were exercised during the financial year ended December 31, 2007, as well as the number and value of common shares underlying any unexercised options in accordance with the Stock Option Purchase Plan for Key Employees, as at December 31, 2007.

Named Executive Officer	Shares Acquired on Exercise Number	Aggregate Value Realized ⁽¹⁾ \$	Shares Underlying Unexercised Options as at Financial Year-end		Value of Shares Underlying Unexercised Options as at Financial Year-end ⁽²⁾	
			Exercisable Number	Unexercisable Number	Exercisable \$	Unexercisable \$
Marcel Dutil	100,000	569,340	---	6,000	---	44,760
Charles Pinel	---	---	---	---	---	---
Marc Dutil	---	---	25,500	2,000	199,680	14,920
Mario Bernard	40,800	261,708	3,600	3,600	26,856	26,856
Sam Blatchford	25,000	161,500	45,500	2,000	309,055	14,920

(1) The aggregate value realized represents the product (i) of the number of shares acquired upon exercise and (ii) the difference between the market value of any shares underlying exercised options and the exercise price of the options.

(2) The value of the unexercised options as at the financial year-end represents the difference between the market value of the common shares of the Company as at December 31, 2007 and the exercise price of the options.

7.4 Securities Authorized for Issuance Under Equity Compensation Plans

Under the Company's compensation plans, only the Stock Option Purchase Plan for Key Employees permits the issuance of equity securities of the Company, that is, common shares. The following table shows the information required by the applicable legislation.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by shareholders	629,360	\$6.82	1,460,200
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	629,360	\$6.82	1,460,200

7.5 Retirement Plan and Supplementary Pension Agreements

a) Senior Managers' Pension Plan

Senior managers, including the Named Executive Officers employed by the Company, participate in a defined benefit pension plan (the "Senior Managers' Pension Plan"). According to the plan rules, the pension benefits payable to plan members take into account both the years of participation in the plan and the average pensionable earnings of the best five consecutive years of compensation. The pensionable earnings for a given calendar year are the sum of the base salary and the bonuses earned, to a maximum of \$175,000 per annum.

Under the Senior Managers' Pension Plan, plan members are entitled to a life annuity upon retirement, provided that they have reached age 55. The annuity is equal to the amount obtained by multiplying the number of years of participation in the plan by the aggregate of 1.4% of the maximum pensionable earnings (MPE) and 2% of the excess amount, up to a maximum of \$175,000 in pensionable earnings.

The normal retirement age is 65. Plan members may retire as of age 55 and receive an unreduced life annuity if the sum of their age and years of participation in the plan is at least equal to 90.

The following table shows estimated annual benefits payable at normal retirement age to members of the Senior Managers' Retirement Plan based on pensionable earnings and years of pensionable service.

Remuneration (\$)	Years of Service				
	15	20	25	30	35
\$125,000	\$33,567	\$44,756	\$55,945	\$67,134	\$78,323
\$150,000	\$41,067	\$54,756	\$68,445	\$82,134	\$95,823
\$175,000 and up	\$48,567	\$64,756	\$80,945	\$97,134	\$113,323

NOTES:

1. The eligible years of service as at December 31, 2007 for the Named Executive Officers are:

Marcel Dutil 44.50 years Mario Bernard 27.85 years
 Marc Dutil 17.83 years Sam Blatchford 7.33 years Charles Pinel 2.75 years

2. The compulsory pension payment for plan members with a spouse is a life annuity equal to 60% of the plan member's pension payment, payable to the spouse upon death. For plan members without a spouse, the pension paid is a life annuity guaranteed for a period of at least 120 months following retirement.

b) Supplementary Pension Agreements

Mr. Marcel Dutil, Chairman of the Board and Chief Executive Officer, is entitled to a supplementary pension agreement. This agreement entitles him, after a minimum of 25 years of service, to a pension equal to 70% of the average pensionable earnings of his best five consecutive years of compensation. The pensionable earnings for a given calendar year are the sum of the base salary and the bonuses earned, up to a maximum of \$500,000 per annum.

The following table shows the annual benefits payable to Mr. Marcel Dutil, based on his pensionable earnings and years of pensionable service. The annual benefits payable to Mr. Marcel Dutil include the amount of annual benefits payable under the Senior Managers' Pension Plan.

Remuneration \$	Years of Service		
	30	35	45
\$500,000 and up	\$350,000	\$350,000	\$350,000

Mr. Marc Dutil, President and Chief Operating Officer, and Mr. Mario Bernard, President of Canam Canada and Structal, are also entitled to supplementary pension agreements. These agreements entitle them, at the age of 60, provided that they are still employed by the Company at that time, to a pension equal to 60% of the average pensionable earnings of their best five consecutive years of compensation. The pensionable earnings for a given calendar year are the sum of the base salary and the bonuses earned, up to a maximum per annum of \$450,000 for Mr. Marc Dutil and \$400,000 for Mr. Mario Bernard.

The following table shows the annual benefits payable once Messrs. Marc Dutil and Mario Bernard reach the age of 60, based on their pensionable earnings and years of pensionable service. The annual benefits payable to Messrs. Marcel Dutil and Mario Bernard include the amount of annual benefits payable under the Senior Managers' Pension Plan.

Remuneration \$	Years of Service		
	30	35	45
\$300,000	\$180,000	\$180,000	\$180,000
\$400,000	\$240,000	\$240,000	\$240,000
\$450,000 and up	\$270,000	\$270,000	\$270,000

The supplementary agreements for Messrs. Marcel Dutil, Marc Dutil and Mario Bernard are not capitalized, but the estimated annual value of the obligations has been calculated and entered in the financial statements of the Company.

8. Composition of the Human Resources Committee

As at the date of this Circular, the Human Resources Committee is composed of five independent directors: Messrs. Paul Gobeil, Pierre Marcouiller, Normand Morin, Robert Parizeau and Pierre Thabet. Mr. Normand Morin chairs the Committee. Mr. Pierre Marcouiller joined the Committee on April 25, 2007.

9. Report of the Human Resources Committee on Executive Compensation

9.1 General Compensation Principles

The Human Resources Committee annually reviews and approves human resources policies regarding the overall compensation of executive officers, employee benefits, pension plans and succession planning at the senior management level. The Committee reviews the succession plan annually in order to ensure the maintenance, development and continuity of a competent management team.

The principal components of the executive officers' overall compensation are base salary, incentive plans, a basic pension plan, a supplementary pension plan and a group insurance program. The compensation policies and the concept behind the compensation components are designed to:

- maintain the overall compensation of executive officers at a level competitive with market practices;
- recognize and reward the executive officers who distinguish themselves by their contributions;
- ensure a balance between individual performance, financial performance and compensation;
- allow the fluctuation of the variable compensation of executive officers based on the achievement or surpassing of profitability objectives;
- encourage the retention of executive officers;
- facilitate the hiring of external candidates for executive officer positions that cannot be filled by internal candidates.

9.2 Description of the Components of Compensation

a) Base Salary

The base salaries of executive officers reflect the reporting level, responsibilities and complexity of each position. They are determined based on competitive market practices for similar positions and with the help of information obtained by the Company from consultants who specialize in compensation and salary surveys.

The base salaries of executive officers are reviewed annually and adjusted according to individual performance, financial results and market practices.

b) Short-Term Incentive Plan

The Company's profit-sharing program allows the executive officers of the Company to share in its financial success and to increase their annual compensation according to the financial results of the Company.

The Company distributes to all executive officers a percentage of the profits that is determined using a formula based on the return on shareholders' equity during the reference period. Shareholders' equity is determined on January 1st of the reference year. Shareholders' equity must show a return of 10% to activate the program. The total amount paid to the executive officers is equal to 12.5% of the Company's pre-tax profits (after deducting any sums paid as profit-sharing) that exceed the minimum return of 10% on shareholders' equity.

The short-term incentive plan based on the return on shareholders' equity allows Named Executive Officers Messrs. Marcel Dutil and Marc Dutil to receive a bonus of up to 200% of their respective base salaries, Messrs. Mario Bernard and Sam Blatchford of up to 120% of their respective base salaries and Mr. Charles Pinel of up to 100% of his base salary. For purposes of the financial results for the 2007 financial year, the bonus payable to each executive officer is equal to 67.2% of the maximum percentage to which he was eligible under the short-term incentive plan based on the return on shareholders' equity.

Besides profit-sharing based on the return on shareholders' equity, every executive officer who heads one of the Company's business units is eligible to a share of the profits based on whether the profitability objectives established for the business unit or units he heads at the beginning of the financial year were achieved or surpassed. Among the individuals named under item 7.1, Messrs. Mario Bernard and Sam Blatchford, who each head business units, are both eligible for a bonus of up to 80% of their respective base salaries. For purposes of the financial results for the 2007 financial year, the bonuses payable to Messrs. Mario Bernard and Sam Blatchford were equal to 80% and 55.7% respectively of their base salaries pursuant to their share of the profits based on whether the profitability objectives established for the business units they head were achieved or surpassed.

c) Medium-Term Incentive Plan

For each executive officer, if the total amount of bonuses paid for the short-term incentive plan exceeds \$20,000, the Company deposits 30% of the person's total bonuses into a Trust constituted by the Company (the "Trust"). With these funds, the Trust acquires common shares on the secondary market and holds them. These shares are turned over to executive officers by the Trust in March of the third year following the year of the deposit of the bonus into the Trust. The Executive officers must still be employed by the Company on the date when shares are distributed by the Trust to be eligible to receive them. This component of the compensation is designed to motivate executive officers to create shareholders' value and to promote the retention of these persons.

In 2007, the Trust purchased 143,525 common shares at an average price of \$10.07 per share for the 2006 compensation period. For the 2007 compensation period, a sum of \$1,971,025 was set aside for the purchase of common shares.

d) Long-Term Incentive Plan

In February 1985, the Company implemented a Stock Option Purchase Plan for Key Employees (the "Plan") for the purchase of common shares. In September 2004, the Company decided to cease granting new share purchase options under the Plan. All those who held share purchase options as of that date will keep them until maturity.

Shares can be subscribed for in blocks of 20% per annum as of the second anniversary of the option grant date. Options can be exercised over a period of no more than ten (10) years from the date they were granted and at an exercise price equal to the market price at the time of the grant.

During the 2007 financial year, share purchase options representing 310,050 common shares were exercised. During the same financial period, options granted previously for the purchase of 65,350 common shares were cancelled following the departure of certain beneficiaries. Options for the purchase of 12,500 common shares expired during the financial year.

The number of common shares to be issued upon the exercise of outstanding share purchase options as at December 31, 2007 was 629,360.

9.3 Chief Executive Officer's Compensation

The Human Resources Committee annually evaluates the Chief Executive Officer's performance, reviews his total compensation and makes recommendations to the Board of Directors.

The Committee relies on the following factors, among others, in determining the Chief Executive Officer's performance:

- the Company's financial performance, in relation to the budgetary and financial objectives set at the start of the financial year;
- the development of the strategic plan, and the periodic communication to the Board of Directors of information on the progress of the plan;

- the development of the management team and planning for continuity;
- the Company's positioning as a leader in its reference markets, and its maintenance of this position.

For the 2007 financial year, Mr. Marcel Dutil was entitled to a bonus of \$719,040, calculated as per item 9.2 b) above: \$535,000 X (67.2% of 200%).

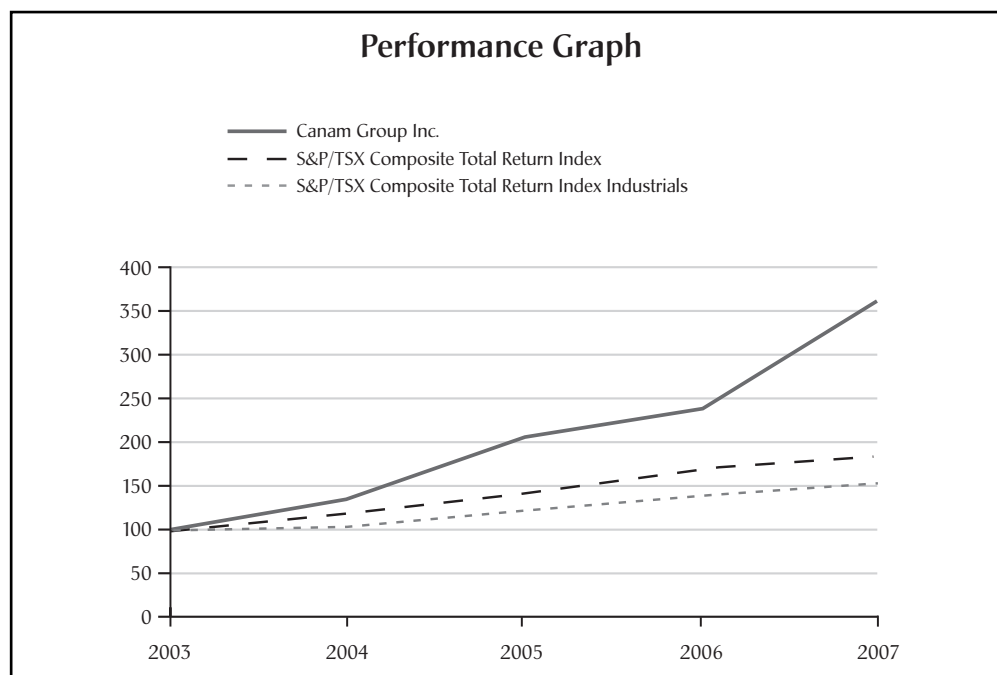
9.4 Summary

The Human Resources Committee annually reviews the overall compensation of the other executive officers. The components of the compensation are reviewed on an annual basis to ensure that the basic compensation remains competitive with market practices and that the incentive plans meet the stated objectives, namely an increase in the Company's profitability and growth in the shares' value. The Committee must also ensure that a balance is maintained between individual performance, financial results of the Company and compensation.

Report presented by: Normand Morin, Committee Chairman
 Paul Gobeil
 Pierre Marcouiller
 Robert Parizeau
 Pierre Thabet

10. Performance Graph

The following graph illustrates the cumulative total return over a five-year period on a \$100 investment in the common shares of the Company and the cumulative total return of the S&P/TSX Composite Index of the Toronto Stock Exchange and S&P/TSX Composite Industrials for the same period.



	2003	2004	2005	2006	2007
Canam Group Inc.	\$100	\$133	\$205	\$236	\$362
S&P/TSX Composite Index	\$100	\$114	\$142	\$167	\$183
S&P/TSX Composite Industrials	\$100	\$101	\$120	\$137	\$152

11. Compensation of Directors

The Company compensates each director who is not an executive officer for services rendered during his term of office.

During the financial year ended December 31, 2007, each director received a base annual fee of \$21,000, plus a \$1,500 director's fee for each attendance at a meeting of the Board of Directors or of one of its committees, with the exception of a meeting attended by telephone, in which case the director's fee is \$750. Besides the base annual compensation each director received

for sitting on the Board, every director who also sat on a committee received a base annual compensation of \$3,000, with the exception of the members of the Audit Committee, who received \$5,000. Further, the chairman of each committee of the Board of Directors received an annual fee of \$5,000, with the exception of the Audit Committee chairman who received \$10,000.

12. Loans to Directors, Executive Officers and Employees

As at March 4, 2008, the Company had no outstanding loans with any of its directors or executive officers. The following table shows the aggregate indebtedness of all employees of the Company and any of its subsidiaries, not related to the subscription of shares (other than routine indebtedness). The Company did not grant loans in connection with the purchase of shares of the Company or its subsidiaries.

Purpose	Aggregate Indebtedness	
	To the Company or its Subsidiaries	To Another Entity
Share purchases	N/A	N/A
Other	US\$95,423	N/A

13. Corporate Governance

The Company's approach to matters relating to corporate governance is designed to ensure that the business and internal affairs of the Company are managed efficiently so as to increase value for shareholders.

a) Regulation 58-101, Disclosure of Corporate Governance Practices

Pursuant to Form 58-101F1 of Regulation 58-101, Disclosure of Corporate Governance Practices, the Company is required to present information on its governance practices. This information appears in Schedule "B" of this Circular.

b) Information on the Audit Committee

Reference is made to Item 12 "Information on the Audit Committee" in the Company's Annual Information Form for the financial year ended December 31, 2007, regarding the disclosure of information relating to the Audit Committee, as required under Form 52-110F1 of Regulation 52-110 respecting audit committees. A copy of the Annual Information Form is available on the SEDAR web site at www.sedar.com as well as on the Company's web site (www.canamgroup.ws), or can be obtained by contacting the Company's Secretary at 270 chemin Du Tremblay, Boucherville, Quebec, J4B 5X9.

14. Interest of Informed Persons in Material Transactions

Investment in Finloc Inc.

Reference is made to section 3.2 "Other Activities" under Item 3 "Description of Operations" of the Company's Annual Information Form for the financial year ended December 31, 2007, regarding disclosure of information about the Company's investment in a company in which Mr. Marcel Dutil directly or indirectly beneficially owns voting shares. A copy of the Annual Information Form is available on the SEDAR web site at www.sedar.com as well as on the Company's web site (www.canamgroup.ws), or can be obtained by contacting the Company's Secretary at 270 chemin Du Tremblay, Boucherville (Québec) J4B 5X9.

15. Appointment and Remuneration of Auditors

Unless otherwise indicated, the voting rights attached to the shares represented by proxy will be exercised in favour of the appointment of PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., Place de la Cité, Tour Cominar, 2640, boulevard Laurier, bureau 1700, Sainte-Foy (Québec) G1V 5C2, as auditors of the Company until the next annual meeting of shareholders and at such remuneration as may be determined by the Board of Directors of the Company.

16. Additional Information

The Company's financial information for the financial year ended December 31, 2007 is included in its audited consolidated financial statements and its Management Discussion and Analysis. Copies of these documents and additional information concerning the Company are available on the SEDAR web site at www.sedar.com as well as on the Company's web site (www.canamgroup.ws), and can also be obtained by contacting the Company's Secretary at 270 chemin Du Tremblay, Boucherville, Quebec, J4B 5X9.

Anyone wishing to contact the Company or to obtain more information can visit the Company's web site at www.canamgroup.ws.

17. Approval by Directors

The Board of Directors of the Company has approved the content of this Management Proxy Circular and has authorized the sending thereof to the shareholders.

St. Georges, Quebec
March 28, 2008



Marcel Dutil, C.M.
Chairman of the Board
and Chief Executive Officer

SCHEDULE "A"

CANAM GROUP INC.

SCHEDULE OF MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AND RECORD OF ATTENDANCE

Meetings of the Board and Committees of the Board from January 1, 2007 to March 4, 2008

Board / Committee	Number of Meetings	Number of Meetings Held by Independent Directors in Camera ⁽¹⁾
Board of Directors	9	5
Audit Committee	5	5
Human Resources Committee	3	3
Corporate Governance Committee	3	3
Investment-Monitoring Committee ⁽²⁾	3	3

(1) From time to time, in the context of meetings of the Board or its committees, independent directors hold meetings at which neither non-independent directors nor management are present ("in camera").

(2) The Investment-Monitoring Committee's mandate is to review the Company's investments and is composed entirely of independent directors. It is not a permanent committee.

Record of Attendance of Directors at Meetings of the Board and Committees from January 1, 2007 to March 4, 2008

Director's Name	Board of Directors	Audit Committee	Human Resources Committee	Corporate Governance Committee	Investment-Monitoring Committee
Élaine Beaudoin	8/9	4/5	---	---	2/3
Anne-Marie Dutil Blatchford	9/9	---	---	---	---
Marc Dutil	9/9	---	---	---	---
Marcel Dutil	9/9	---	---	---	---
Paul Gobeil	8/9	---	3/3	3/3	---
Pierre Lortie	9/9	5/5	---	3/3	3/3
Pierre Marcouiller ⁽¹⁾	5/6	---	1/2	---	---
Normand Morin	9/9	---	3/3	3/3	---
Robert Parizeau	9/9	5/5	3/3	---	3/3
Pierre Thabet	9/9	---	3/3	---	---
Jean-Marie Toulouse	9/9	5/5	---	---	2/2
Jean Turmel	7/9	3/5	---	---	---

(1) Mr. Pierre Marcouiller was elected to the Board of Directors on April 25, 2007.

SCHEDULE "B"
CANAM GROUP INC.
REGULATION 58-101 RESPECTING
DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

CORPORATE GOVERNANCE
DISCLOSURE

1. Board of Directors

a) **Disclose the identity of directors who are independent.**

COMMENTS

Élaine Beaudoin
Paul Gobeil
Pierre Lortie
Pierre Marcouiller
Normand Morin
Robert Parizeau
Pierre Thabet
Jean-Marie Toulouse and
Jean Turmel

b) **Disclose the identity of directors who are not independent, and describe the basis for that determination.**

Marcel Dutil: Chief Executive Officer of the Company
(member of senior management)
Marc Dutil: President and Chief Operating Officer of the
Company (member of senior management)
Anne-Marie Dutil Blatchford: family relationship to Marcel Dutil
and Marc Dutil (member of the
immediate family of a member
of senior management)

c) **Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.**

A majority of directors are independent.

d) **If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

Item 6 of this circular identifies the name of each reporting issuer for which a nominee to the position of director is a director.

e) **Disclose whether or not the independent directors hold regularly scheduled meetings at which non independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

f) **Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

g) **Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.**

2. Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

3. Position Descriptions

a) **Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

b) **Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

Independent directors regularly hold meetings immediately following meetings of the Board and its committees at which non-independent directors and members of management are not in attendance.

Schedule "A" of this circular contains an enumeration of the number of meetings held by the independent directors in the 2007 financial year and since the beginning of the Company's 2008 financial year.

Mr. Marcel Dutil is both Chairman of the Board and Chief Executive Officer. He is a non independent director.

Mr. Paul Gobeil, an independent director, has been designated by the board of directors as lead director.

The lead director exercises the role and responsibilities of the Chairman in his absence. He presides the periodic meetings of the independent directors. Pursuant to the Policy and procedures by means of which interested persons may communicate directly with directors, the lead director receives communications from interested persons and follows up on such communications, if required.

Schedule "A" of this circular discloses the attendance record of each director for all board and committee meetings held during the 2007 financial year and since the beginning of the Company's 2008 financial year.

The mandate of the board of directors is reproduced in Schedule "B.1" of this Circular.

The board of directors has developed written position descriptions for the chairman of the board and the chairman of each board committee.

The board of directors and the Chief Executive Officer have developed a written position description for the Chief Executive Officer.

4. Orientation and Continuing Education

a) Briefly describe what measures the board takes to orient new directors regarding:

i. the role of the board, its committees and its directors, and

The Corporate Governance Committee, a committee composed of independent directors, satisfies itself that new directors receive a complete orientation in order that they understand the role of the board of directors and its committees, as well as the expected contribution from each director, namely the expectations of the Company in terms of time and energy required by directors to carry out their functions, and to understand the nature and functioning of the Company.

Each new director receives a manual for directors. The manual includes a description of the mandates of the board of directors and of each committee of the board. Each new director meets the Chairman of the Board and Chief Executive Officer as well as the lead director who discuss with the new director what they expect of him (her) as a member of the board.

ii. the nature and operation of the issuer's business.

Each new director meets the Chairman of the Board and Chief Executive Officer, the senior management members designated by the Chairman of the Board and Chief Executive Officer and the chairmen of the Corporate Governance, Human Resources and Audit Committees. The new director also receives documentation about the Company to become familiar with the activities, policies and the industry in which it operates, including a manual for directors. Each new director may choose to visit one or more of the Company's plants.

b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

The Corporate Governance Committee ensures itself that the directors of the Company are offered the possibility to receive continuing education in order to help them maintain or improve their competence and skill as directors and keep their knowledge and understanding of the Company up to date. The directors are regularly informed by management of any changes made to the corporate governance rules and by the external auditors of any changes made to the accounting principles.

The Corporate Governance Committee annually verifies and confirms the independence of the directors and financial competencies of the audit committee directors.

The Corporate Governance Committee monitors the corporate governance rules and reports to the board of directors on their evolution and their implementation within the Company.

5. Ethical Business Conduct

a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:

i. disclose how a person or company may obtain a copy of the code;

The board of directors has adopted a written code for the directors, officers and employees. This code is named the "Code of Ethics".

The Code of Ethics may be consulted on the Company's web site under "Our Company"/"Our Policies".

The Code of Ethics may also be consulted on the Sedar web site (www.sedar.com) along with the other documents filed by the Company.

ii. describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself 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 financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code

b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.

c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

6. Nomination of Directors

a) Describe the process by which the board identifies new candidates for board nomination.

b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Corporate Governance Committee reviews the terms of the Code of Ethics, monitors compliance to the Code and, when it deems appropriate, authorizes derogations to the Code.

Once a year, each director, officer and non-unionized employee confirms in writing that he complies with the Code of Ethics.

There has not been any material change report filed in the 2007 financial year and since the beginning of the Company's 2008 financial year that pertains to any conduct of a director or executive officer that constitutes a violation of the Code.

The Audit Committee, a committee of the board composed of independent directors, is responsible for reviewing the financial and accounting aspects of transactions between the Company and the companies associated to its principal shareholder, Mr. Marcel Dutil. The transactions are reviewed on a regular basis. At the time of its review, the Company's Chief Financial Officer delivers a certificate to the Audit Committee confirming that the transactions were made at market price, as though they had been negotiated at arms length, and are in the Company and its subsidiaries' interest.

The Corporate Governance Committee satisfies itself that the transactions between the Company and the companies associated with the Company's principal shareholder comply with corporate governance rules.

In addition, the board of directors established in 2004 a committee responsible for monitoring investments (Investment-Monitoring Committee) composed of independent directors. The committee is responsible for reviewing the Company's investments, including the Company's preferred share investment in Finloc Inc., a company controlled by Mr. Marcel Dutil, and to make recommendations to the board in connection with the investments and to ensure an orderly opting out of the investment in Finloc Inc. This committee is not a standing committee.

Each director is required to disclose to the board of directors or the committees on which he/she sits, his/her interest in any transaction when it is brought up for discussion at the board or the committees.

Management presents at least once a year to the board of directors the budget and strategic direction of each of the Company's business units. Directors are encouraged to ask questions and offer recommendations on the Company's business conduct.

The Chairman of the Board and the Chief Executive Officer, in consultation with the lead director, considers all potential new candidates to the board of directors. The Corporate Governance Committee examines and recommends on an annual basis to the board a list of candidates for the composition of the board and its committees. The list is then submitted to the vote of the shareholders at the Company's annual general meeting.

The board of directors must ensure itself that it is composed of a sufficient number of independent directors.

The Corporate Governance Committee reviews and recommends to the board on an annual basis a list of candidates for the composition of the board and its committees. The Corporate Governance Committee is composed entirely of independent directors.

c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Corporate Governance Committee exercises the role of a nominating committee. The mandate of the Corporate Governance Committee is reproduced in Schedule "B.2" of this Circular.

7. Compensation

a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Human Resources Committee reviews and approves the Chief Executive Officer's overall compensation, including any long-term incentive plans, employee benefits and employment conditions. At the Chief Executive Officer's recommendation, the Committee approves the other executive officers' overall compensation, including any long-term incentive plans, and employee benefits. If need be, the Human Resources Committee conducts market surveys or retains consultants to determine the compensation of the Company's senior management.

b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Human Resources Committee exercises the role of a compensation committee. The Human Resources Committee is composed entirely of independent directors.

c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Human Resources Committee's mandate is reproduced in Schedule "B.3" to this Circular.

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 directors 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.

No compensation consultant or advisor was retained during the 2007 financial year for the purpose of determining compensation for any director of the Company.

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The board of directors does not have any other standing committee.

9. Assessments

Disclose whether or not the board, its committees and individual directors 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 board satisfies itself that the board, its committees and its individual directors effectively perform their duties.

It is the Corporate Governance Committee's responsibility to assess the overall effectiveness of the board of directors and of its committees. This assessment is conducted formally once per year. The Committee's findings are reported to the board. Each director completes a self-appraisal questionnaire. The Committee's Chairman discusses with the Chairman of the Board the performance of each director.

SCHEDULE "B.1"

CANAM GROUP INC.

MANDATE OF THE BOARD OF DIRECTORS

Within the scope of its management function, the Board of Directors oversees the management of the Company's business and internal affairs. Responsibility for managing routine business rests with the members of the Company's senior management. Responsibility for any task that was not entrusted to senior management or to a committee of the Board rests with the Board of Directors.

The Board of Directors is composed for the most part of independent directors within the meaning of *Regulation 52-110 respecting audit committees*.

In addition to its statutory responsibilities, the Board of Directors:

1. Reviews and approves the mission and general objectives of the Company.
2. Identifies, together with management, the principal risks associated with the business of the Company, and ensures the implementation of the appropriate systems to manage those risks.
3. Must be satisfied that a strategic planning process is in place and that it takes the identification of opportunities and risks for the Company into consideration, and approves the Company's strategic plan on an annual basis.
4. Monitors and evaluates the achievement of approved objectives and strategies.
5. Must be satisfied that an effective communications policy is in place and that it is maintained.
6. Must be satisfied that measures are in place to receive shareholders' views and that means are at their disposal to enable them to communicate with the Board of Directors.
7. Ensures adequate succession planning with respect to senior management, including the designation, training and supervision of prospective senior managers.
8. Oversees the internal controls and continuous disclosure systems to ensure their efficiency.
9. Reviews and approves the Company's financial statements, MD&A, earnings press releases, prospectuses, Annual Information Form and Proxy Circular, including the disclosure of compliance by the Company with the corporate governance rules.
10. Reviews and approves the Company's dividend policy.
11. Develops the Company's vision of corporate governance by adopting relevant policies and codes, and ensures that the Company complies with the corporate governance rules and fulfills its statutory obligations.
12. Appoints the members of the corporate governance, human resources and audit committees, and defines the responsibilities of these different committees.
13. Reviews the composition of the Board of Directors to ensure that it is composed of a sufficient number of independent directors.
14. Reviews the size of the Board of Directors to determine the extent to which the number of directors influences the Board's efficiency.
15. Approves the corporate objectives which the Chief Executive Officer has a responsibility to achieve.
16. Ensures, to the extent that it can, that the Chief Executive Officer and the other members of the management team conduct themselves with integrity and foster an ethical climate throughout the organization.
17. Must be satisfied that appropriate structures and methods are in place to ensure the autonomy of the Board of Directors.
18. Defines the Board's expectations of directors as well as the responsibilities of directors, including their basic obligations and responsibilities with respect to their presence at Board meetings and their prior examination of documents to be discussed at meetings.

Subject to the Company's By-Laws and statutory obligations, the Board of Directors may delegate its responsibilities to one or more committees of the Board of Directors.

SCHEDULE "B.2"

CANAM GROUP INC.

MANDATE OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee is responsible for developing and overseeing the Company's approach to corporate governance.

The committee is composed of at least three independent directors within the meaning of *Regulation 52-110 respecting audit committees*. The quorum necessary to constitute a meeting of the committee is set at two directors. The committee chairman reports on the decisions and recommendations of the committee to the Board of Directors.

More specifically, the committee holds the following powers and responsibilities:

1. If the Company's Chairman of the Board also serves as its Chief Executive Officer, the chairman of the committee will act as lead director.
2. Assesses, periodically but not less than once every two years, the efficiency of the Board of Directors as a whole and of the committees of the Board and the effectiveness of the contribution made by the different directors, and develops and implements a procedure to this end.
3. Writes position descriptions for the Chairman of the Board and the chairman of each committee of the Board.
4. Reviews and recommends to the Board of Directors the compensation of directors, taking into account the responsibilities and risks associated with the position of director.
5. Ensures that all new directors receive an orientation session that provides them with a clear understanding of the role of the Board of Directors and of its different committees as well as the contribution that each director is expected to make, including the Company's expectations in terms of the time and energy that directors are expected to devote to their tasks, and also a clear understanding of the nature of the Company and the way it operates.
6. Offers all its directors the possibility of receiving continuing education to allow them to maintain or improve their skill and knowledge to serve as directors, increase their understanding of the Company and stay informed.
7. Verifies and confirms the independence and the financial literacy of the members of the audit committee on an annual basis.
8. Annually reviews the list of candidates who could potentially sit on the Board of Directors and its different committees, and makes recommendations to the Chairman of the Board in this regard.
9. Oversees the process of annual disclosure with respect to corporate governance, as prescribed by the relevant legislation and the stock exchanges on which the Company's securities are listed.
10. Evaluates and, where circumstances warrant, approves any request submitted by independent or outside directors to retain the services of expert advisors at the Company's expense, and delegates this responsibility to the chairman of the committee in emergency cases.
11. Performs any other task the Board of Directors may ask of it from time to time, and prepares any report and carries out any study on the subject of corporate governance for the Company.
12. Reviews transactions between related parties in terms of their compliance with the corporate governance rules.
13. Reviews the provisions of the Company's Code of Ethics (the "Code"), ensures compliance with the Code and authorizes relief from the provisions of the Code when it deems appropriate to do so.

SCHEDULE "B.3"

CANAM GROUP INC.

MANDATE OF THE HUMAN RESOURCES COMMITTEE

The mandate of the Human Resources Committee is to review human resources management policies and directions and to make recommendations pertaining to these policies and directions to the Board of Directors. The committee is composed of at least three independent directors within the meaning of Regulation 52-110 respecting audit committees. The quorum necessary to constitute a meeting of the committee is set at two directors. The committee chairman reports on the decisions and recommendations of the committee to the Board of Directors.

More specifically, the committee holds the following powers and responsibilities:

1. Corporate Policies

Reviews the human resources corporate policies, namely, directors' compensation, benefits, retirement plans and the stock option plan, and makes recommendations pertaining to these policies to the Board of Directors.

2. Organizational Structure

Reviews the recommendations made by the Chief Executive Officer regarding the Company's organizational structure, and makes recommendations to the Board of Directors in this regard.

3. Position Descriptions of the Chief Executive Officer and the President and Chief Operating Officer

Writes the position description of the Chief Executive Officer and, together with the Chief Executive Officer, writes the position description of the President and Chief Operating Officer.

4. Succession Plan

4.1 Reviews and approves the recommendations of the Chief Executive Officer aimed at ensuring, developing and maintaining a competent management team.

4.2 Reviews and approves recommendations for changes at the senior management level.

5. Compensation of Executive Officers

5.1 Examines and approves the Chief Executive Officer's overall compensation, including any long-term incentive plans, employee benefits and employment conditions.

5.2 Subject to section 5.1 and at the Chief Executive Officer's recommendation, examines and approves the other executive officers' overall compensation, including any long-term incentive plans, and employee benefits.

5.3 Provides a report on executive officers' compensation in the proxy circular issued by management for the Company's annual shareholders' meeting.

5.4 Writes the Company's objectives with respect to the Chief Executive Officer's compensation for approval by the Board, and evaluates the Chief Executive Officer's performance in the light of these objectives.

5.5 Receives the objectives of the President and Chief Operating Officer from the Chief Executive Officer.

5.6 Reviews the total payroll and the distribution of employees across the Company and its subsidiaries.

6. Retirement Plans

6.1 Reviews any of the Company's new retirement plans as well as any changes or modifications to existing plans, and recommends their adoption to the Board of Directors.

6.2 Examines the termination of any of the Company's retirement plans, and makes recommendations to the Board of Directors in this regard.

6.3 Designates a member of the Board of Directors to sit on the retirement committee overseeing the retirement plan for the Company's senior management.

6.4 Reviews the Company's retirement plan assets, the objectives of each plan manager, the performance of each plan and compliance with the investment policy.

6.5 Receives the financial statements of each of the Company's retirement plans.

6.6 Ensures that the investment policy for each of the Company's retirement plans complies with the relevant legislation.

7. Occupational Health and Safety

7.1 Ensures that management establishes and adequately manages an effective occupational health and safety management plan.

7.2 Reviews the costs and other relevant information related to the management of occupational health and safety programs for the organization as a whole.

The Human Resources Committee has the power to hire, at the Company's expense, any external consultant it deems necessary for the performance of the duties of that committee.

