

CANAM GROUP INC.

ANNUAL INFORMATION FORM

Fiscal year ended December 31, 2007

March 28, 2008

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ITEM 1 - INCORPORATION

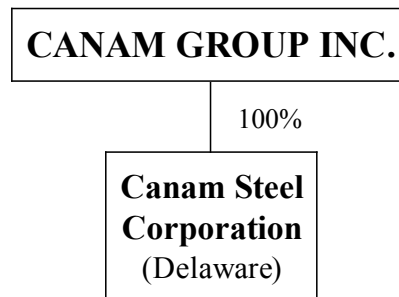
1.1 The Company

Canam Group Inc. is the result of the amalgamation, on January 1, 1997, of The Canam Manac Group Inc. and its subsidiary, Gestion 11535 Inc., under Part IA of the *Companies Act* (Quebec). On January 1, 2005, The Canam Manac Group Inc. changed its name to Canam Group Inc. (the “Company”).

The head office of the Company is located at 11535 – 1st Avenue, Suite 500, St. Georges, Quebec, G5Y 7H5.

1.2 Subsidiaries

The following organizational chart describes the Company as well as its principal subsidiary, Canam Steel Corporation, its only subsidiary whose assets represent 10% or more of the Company’s consolidated assets as at December 31, 2007 or whose operating revenue represents more than 10% of the Company’s consolidated operating revenue. The organizational chart presents the jurisdiction of incorporation of Canam Steel Corporation and the percentage of voting rights held as at December 31, 2007.



ITEM 2 - GENERAL BUSINESS DEVELOPMENT

Unless the context or wording indicates otherwise, (i) Canam Group Inc. and its subsidiaries are collectively designated below as the “Company”, and (ii) all dollar amounts referred to in this document are in Canadian dollars.

2.1 General Profile

Overview

The Company is involved in the design, manufacture and sale of construction products and services for the commercial, industrial, institutional, multi-residential and infrastructure construction industry. The Company operates 12 plants, including six in Canada and six in the United States, and employed 3,050 people as at December 31, 2007. Revenues are generated from a variety of customers primarily located in North America.

Brief Description of Operations

The Company carries out its business directly or through its subsidiaries. The Company's sector of activity is subdivided into a number of business units, each accounting for a different set of products or services, except for CANAM INTERNATIONAL which groups all the fabricating operations outside Canada and the United States: CANAM CANADA – Joists and Steel Deck, CANAM UNITED STATES – Joists and Steel Deck, STRUCTAL-Heavy Steel Construction, STRUCTAL-Bridges, HAMBRO – Concrete Floor System, MUROX – Building Systems, TECHNYX – Technical Outsourcing Services, and CANAM INTERNATIONAL. The business of the Company is carried out in Canada by the Company and in the United States by Canam Steel Corporation (“Canam Steel”). In the United States, Canam Steel also operates SUN Building Systems and the VERTISPACE – mezzanine systems.

CANAM CANADA is the largest manufacturer of steel joists in Canada, with an estimated market share of approximately 74%. CANAM UNITED STATES is an important steel joist fabricator in the United States, with an estimated market share of approximately 8%. Canam United States supplies the North American market with an extensive range of construction products and services, including steel joists and steel deck, under the name Canam. The Company's products and services are used extensively by structural steel fabricators in industrial, institutional, commercial and multi-residential construction.

STRUCTAL-HEAVY STEEL CONSTRUCTION designs and fabricates heavy structural steel and supplies structural steel components for many major North American construction projects, including sports complexes, industrial complexes, airport facilities and office towers.

STRUCTAL-BRIDGES manufactures bridges and welded beams for the North American market. Structural-Bridges also designs and manufactures structural bearings and expansion joints for the highway and bridge infrastructure market.

HAMBRO designs, manufactures and markets a concrete floor system for the residential and multi-residential markets in North America.

MUROX designs, manufactures and markets prefabricated building shells for the commercial, industrial and institutional construction markets. These products are sold mainly in northeastern North America, generally to contractors, developers and building owners.

TECHNYX provides technical drafting outsourcing services to the Company's business units and to third parties, primarily steel product fabricators located in North America and France, from its offices in Canada, Romania, India and China.

CANAM INTERNATIONAL manages the Company's investments outside Canada and the United States, that is, minority interests in steel product fabrication companies in Saudi Arabia, China, the United Arab Emirates, France, Mexico and Russia. These interests enable the Company to export its know-how by partnering with local entrepreneurs who already have expertise in the construction product sector. Besides the opportunity to obtain a share of these companies' earnings, the Company receives royalties for the transfer of its technology and know-how.

In addition to the products offered through its business units, the Company manufactures and sells SUN Building Systems products, rigid-framed building systems, and the VERTISPACE mezzanine systems. These products are fabricated for the commercial, industrial and institutional markets and sold in the United States.

2.2 Developments Over the Last Three Fiscal Years

The following events and conditions have affected the general development of the business over the last three fiscal years.

In the spring of 2004, the Company announced the adoption of a strategic plan aimed at concentrating its activities in the construction products and services sector; nevertheless, the Company remained committed to its earlier decision to sell its Mexico-based assets. This announcement came as the Company was selling off its semitrailer operations, that is, the sale of the assets of its Manac division and of its shares in Manac Trailers USA, Inc., a wholly-owned U.S.-based subsidiary of the Company. The decision to refocus the Company's activities on the construction products sector also implied the eventual disposal by the Company of its forestry equipment fabrication and distribution operations, managed by its Tanguay Industries division. After a number of unsuccessful attempts to regroup the operations of Tanguay Industries with those of a third party, the Company discontinued its forestry equipment fabrication operations in September 2006.

On August 15, 2005, in accordance with its strategy to restrict its North American product construction activities to Canada and the United States, the Company sold the assets of its steel joist plant in Ciudad Juárez, Mexico, to CMC Commercial Metals de Mexico, S. de R.L. de C.V., a subsidiary of CMC Steel Fabricators, Inc., a U.S. steel joist fabricator. This sale was concluded for a consideration of US\$6,400,000 (\$7,700,000), plus US\$2,400,000 (\$2,800,000) for inventories. The Company agreed with the purchaser, subject to certain exceptions, not to fabricate or deliver steel joists for a period of three years following the transaction, that is, until August 15, 2008, in certain regions of the southwestern U.S. covered by the Ciudad Juárez plant. The Company still owns a vacant lot in Ciudad Juárez, which is currently up for sale.

On October 1, 2005, the Company sold the assets of its Steel Plus Network division (the "Network") to Steel Plus Network, LLC ("SPN"), a U.S. company representing more than 70 Canadian and U.S. entities that had previously been part of the Network. The sale of these assets was made for a consideration of US\$2,400,000 (\$2,800,000) paid to the Company through the issue of Class "B" units in SPN, representing 44.4% of its equity and 45% of its voting rights in SPN. The Company's interest in SPN must at no time exceed 45% of SPN's equity. SPN regroups North American suppliers and structural steel fabricators. SPN promotes the use of steel for construction by offering its members products and services they need to enhance their competitiveness, improve the quality of their products and services and further their individual success.

On June 24, 2006, the Company completed its withdrawal from Mexico by selling its 65% interest, in the form of voting and participating shares, in Canam Romsa de Mexico, S.A. de C.V. ("Romsa"), which operates a steel joist and structural steel plant in Monterrey, Mexico. The purchaser was Steelmax, S.A. de C.V., a Mexican company controlled by local investors

involved in the steel joist and structural steel sector. The sale of the 65% interest was for a consideration of US\$1,000,000. In addition to the purchase of shares, Romsa had converted advances from the Company totaling US\$6,500,000 into redeemable preferred shares. The Company also retained a note receivable of US\$2,000,000 secured by a mortgage on the Monterrey plant. Since this transaction, preferred shares worth US\$4,000,000 were converted into advances and are also secured by a mortgage on the Monterrey plant. The remaining preferred shares, worth US\$1,800,000, were written off by the Company. In December 2007, the Company granted Romsa a term loan for US\$3,611,000 and a credit margin of US\$2,000,000. These two credit facilities are secured by liens on Romsa's equipment, inventories and receivables.

On August 24, 2006, Placements CMI inc. and its wholly-owned subsidiary, 9085-6063 Québec Inc., two companies beneficially owned, directly or indirectly, by Mr. Marcel Dutil, Chairman of the Board and Chief Executive Officer of the Company and until that date its majority shareholder, converted 7,000,000 Class "C" multiple voting shares (five (5) votes per share) in the Company into 1,850,030 Class "A" subordinate voting shares, representing a conversion ratio of 0.26429 Class "A" share to one Class "C" share. Following the conversion of all Class "C" shares, the rights, privileges, restrictions and conditions conferred by the Class "C" shares were cancelled, and consequently the Company's share capital no longer provides for multiple voting shares. Following the share conversion, the percentage of voting rights held directly or indirectly by Mr. Marcel Dutil was 20.66%. As at December 31, 2007, Mr. Dutil held 7,295,496 common shares in the Company or 14.78% of its issued and outstanding shares.

On September 22, 2006, the Company announced the termination of the activities at its St. Joseph de Beauce, Quebec plant, specialized in the fabrication of wall panels for the multi-residential construction market. The closure was attributable to the sharp drop in demand in the apartment and condominium housing market in Quebec and Ontario and to the poor prospects for recovery in this market. This decision signaled Murox's withdrawal from the multi-residential construction market. Since then, Murox has been focusing on the commercial, industrial and institutional buildings sector.

On November 27, 2006, the Company announced the acquisition of the majority of the assets of Goodco Limited and of the Z-Tech division of Z-Tech/Geogard Inc., two Quebec-based companies involved in the design and fabrication of structural bearings and expansion joints for the bridge and highway infrastructure market. These acquisitions allow Structural-Bridges to broaden its product offerings and thus strengthen its presence with its customer base and existing markets.

On May 30, 2007, the Company, through a wholly-owned subsidiary, completed the acquisition of 49% of the share capital of United Steel Structures Ltd. ("USSL"), a company that operates a heavy structural steel and bridge fabrication plant in Guangzhou, China. The other shareholder of USSL is Guangzhou Shipyard International Co. Ltd. ("GSI"), a Chinese company. USSL serves the international markets for heavy structural steel and bridges. USSL has an annual production capacity of 40,000 tons. The Company's 49% interest was acquired from Havens Steel Company ("Havens") at an auction held under the supervision of the U.S. bankruptcy court in connection with Havens' bankruptcy proposal under Chapter 11 of Section 11 (Bankruptcy) of the *United States Code* and at which the Company was the highest bidder at US\$9,200,000. This transaction

provides the Company with a venue for additional production capacity, allowing it to take advantage of economic activity in North America, and may eventually give the Company's value-added products access to the Chinese market.

On July 17, 2007, Canam Steel acquired the majority of the assets of Eastern Bridge, LLC of Claremont, New Hampshire, specialized in the fabrication of steel structures for highway and railway bridges. At the time of the transaction, Eastern Bridges' annual sales totaled approximately US\$10,000,000. This purchase of assets was made for a consideration of US\$4,900,000 (\$5,151,000). Canam Steel is currently leasing the plant from Eastern Bridge and has the option to buy it between now and September 2009. This acquisition is part of the Company's strategy to increase its presence in the U.S. bridge market and to participate in projects that are only available to bridge manufacturers with manufacturing operations in the United States (pursuant to the *Buy American Act*).

2.3 Strategy

The Company is involved in the design, fabrication and sale of construction products and services. It is divided into eight business units: (a) CANAM CANADA – Joists and Steel Deck; (b) CANAM UNITED STATES – Joists and Steel Deck; (c) STRUCTAL-Heavy Steel Construction; (d) STRUCTAL-Bridges; (e) HAMBRO – Concrete Floor System; (f) MUROX – Building Systems; (g) TECHNYX – Technical Outsourcing Services; and (h) CANAM INTERNATIONAL.

The Company's strategy consists in:

- (i) maintaining and consolidating its position in the markets it dominates by pursuing a dynamic policy of customer satisfaction, continuous product development and efficient manufacturing operations;
- (ii) using its design, fabrication and marketing expertise for the North American construction market in order to grow and profitably develop the Canam, Structal, Hambro, Murox, VertiSpace and Sun Building Systems brand products;
- (iii) penetrate new markets by introducing value-added products and services and thereby reduce the Company's dependence on its existing products while increasing its revenues and profitability; and
- (iv) pursue its positioning in emerging international markets by securing interests in companies involved in the fabrication of construction products.

Canam Canada and Canam United States aim to be recognized as the best designers and fabricators of steel joists and structural steel components in the North American construction industry through their flexibility, the quality of their products and their exceptional service. These business units aim to provide the best products, solutions and services throughout the Company's steel joist markets. In Canada, Canam Canada's coverage of a broad territory, its speedy delivery and its technical expertise have led to the signing of agreements on a national scale with companies operating in the retail business. In the United States, Canam United States focuses its

activities on complex projects requiring a greater number of work hours per ton of steel, thus setting itself apart from its main competitors, which are integrated fabricators.

In the heavy steel construction sector, Structal's business strategy is to focus on complex, highly engineered projects such as sports complexes, convention centers, office towers, industrial complexes and airport facilities. The Company's ability to provide these specialized products has made it a supplier of choice for several major construction projects throughout North America.

In the steel bridge sector, Structal intends to maintain its leadership role in Canada and increase its presence in the United States, while gradually expanding its range of products and services so as to raise its profile among bridge designers and manufacturers.

Hambro enjoys a widespread notoriety with real estate developers in some of its markets. The Company intends to take advantage of the product's reputation to increase its North American market penetration.

Like Hambro products, Murox building systems are value-added products that complement the Company's other construction products. They enable the Company to offer its products and services to industrial, commercial and institutional building constructors. In the coming years, the Company intends to expand its sales coverage outside Quebec, Ontario and New England and to develop new applications, such as energy-efficient buildings, and new exterior finishes for its products. By combining Murox building systems with its other construction products, the Company is able to offer a complete structural and building shell solution.

Technyx draws on its highly educated and specialized workforce in its offices in Romania, India and China to offer technical outsourcing and mechanical engineering services to the commercial, multi-residential and industrial construction sectors in the Company's traditional geographic markets.

Through Canam International, the Company exports its know-how by acquiring interests in companies involved in the fabrication of construction products outside Canada and the United States. The Company's investment strategy consists in (i) limiting its participation in any company to a minority interest in terms of equity and voting rights; (ii) limiting the amount of money invested in each country the Company invests in; (iii) recovering the capital invested within a relatively short timeframe; and (iv) obtaining royalties in return for the transfer of its know-how.

ITEM 3 - DESCRIPTION OF OPERATIONS

3.1 General Profile

Products and Services

The Company designs, fabricates and markets a wide range of steel components and steel construction products under the Canam name. These products include joists, roof trusses, beams, columns, steel deck and cold-formed sections.

The Company designs and fabricates heavy structural steel components under the Structural name for bridges and major construction projects. The Structural-Bridges business unit designs and fabricates structural bearings and expansion joints under the Goodco Z-Tech name for the bridge and highway infrastructure construction markets.

The Company designs and fabricates specialized construction product systems that complement its range of steel products. These specialized products are offered under different brands: Murox Building Systems, Hambro Concrete Floor System, Sun Building Systems and VertiSpace Mezzanine Systems. Each of these products represents less than 10% of the Company's total sales.

The products are distributed mainly through the Company's sales and distribution network, which serves all of Canada and the United States.

The construction products market is subject to the same cycles as non-residential construction. However, Hambro, which is used in residential construction, is subject to the same cycles as residential construction. GDP and population growth tend to be leading indicators of demand for construction products.

Plants

The Company operates 12 plants in Canada and the United States. These plants are operated by the Company and its subsidiary Canam Steel. The Company owns its plants, with the exception of the Claremont, NH, plant which it leases.

The following table lists the plant locations, the products fabricated in each plant and their respective production capacities, where applicable.

| PLANT LOCATION | PRODUCTS/PURPOSE | CAPACITY (TONS) |
|---------------------------|---|----------------------------|
| Boucherville, Quebec | Steel deck, purlins, girts and cold-formed sections | 65,000 |
| Calgary, Alberta | Steel joists, girders, steel deck and Hambro system | 40,000 |
| Claremont, New Hampshire | Structural steel components, bridges and welded beams | 12,500 |
| Jacksonville, Florida | Steel joists, steel deck, Hambro system and VertiSpace mezzanine systems | 85,000 |
| Laval, Quebec | Structural bearings and expansion joints for bridges, overpasses and other steel structures | |
| Mississauga, Ontario | Steel joists, girders and steel deck | 60,000 |
| Point of Rocks, Maryland | Steel joists, steel deck, structural steel components, VertiSpace mezzanine systems | 75,000 |
| Quebec City, Quebec | Structural steel components, bridges and welded beams | 25,000 |

| | | |
|---------------------------------------|---|------------------|
| St. Gédéon de Beauce, Quebec | Steel joists, girders, Hambro and Murox systems, structural steel components and bridges | 115,000 |
| Sunnyside, Washington (two plants) | Steel joists, steel deck, Hambro system, structural steel components, Sun Building Systems and VertiSpace mezzanine systems | 40,000 30,000 |
| Washington, Missouri | Steel joists and VertiSpace mezzanine systems | 50,000 |

Raw Material

Raw material represents approximately 60% of the cost of sales for Canam, Structural-Heavy Steel Construction and Structural-Bridges. Steel is the main raw material used and its cost is based on supply and demand in the international market. Since the implementation of the Canada-U.S. Free Trade Agreement, steel prices have been harmonized on both sides of the border. The significant tonnage of steel utilized by the Company allows Canam to purchase raw material at competitive rates. The Company relies on several suppliers for its steel requirements; the Company is not dependent on one specific supplier. When possible, the Company protects itself against steel price increases in the course of fulfilling contracts for the projects it undertakes by including price adjustment clauses in its bids or contracts.

Recent Performance

The positive economic cycle in the North American non-residential construction sector which began during the last quarter of 2004 continued throughout 2007. While the Canadian market for steel joists was still strong in 2007, the U.S. market began showing signs of slowing down in the fourth quarter. Nevertheless, the strength of the non-residential market in Canada offset the slowdown in the United States. The reduction in steel deck prices which started in 2006 in some of the Company's markets persisted in 2007, without getting worse.

In 2007, the Structural-Heavy Steel Construction business unit pursued the fabrication of steel structures for two baseball stadiums (New York Mets and Yankees) and one football stadium (New York Giants/Jets). The two baseball stadium projects will be completed during the Spring of 2008 and the football stadium project should be completed during 2008.

The Company's other business units continued to progress in 2007, contributing to the Company's success. These business units accounted for nearly 30% of the Company's operating revenue in 2007.

The 12 plants produced approximately 380,000 tons of steel products in 2007, compared with approximately 337,000 tons in 2006. As at December 31, 2007, the Company recorded an order backlog worth approximately \$287,000,000, virtually the same level as it recorded at the close of 2006.

In fiscal year 2007, steel joist and deck products generated sales accounting for at least 15% of consolidated revenues. Steel joist and deck product sales totaled approximately \$494,000,000 in 2007, compared with approximately \$428,000,000 in 2006.

3.1.1 CANAM – Joists and Steel Deck

Steel joists are key components that support the roof and floor of commercial and industrial buildings. They are typically used in the construction of one and two-storey buildings such as stores, warehouses, shopping malls, schools and churches. Joists are manufactured in a variety of shapes, sizes and extensions and customized to meet builders' requirements. Large steel joist fabricators such as Canam sometimes supply steel deck used as complementary roofing and flooring components installed on top of the joists.

Geographic Coverage

Since on-time delivery is a critical customer requirement and since the cost of shipping joists is high, Canam serves the North American market through a large number of small and medium-sized plants located near markets rather than through a small number of large, remote facilities. The geographic distribution of Canam's plants gives it good coverage of North America.

Customers

Steel joists and steel deck are mainly sold to structural steel fabricators. After securing a contract for a project, the general contractor selects a structural steel fabricator who purchases the steel joists and steel deck required for the project from the Company and other suppliers. In Canada, steel deck is also sold to erectors. Canam has for several years been developing national accounts in Canada. Hence, major real estate developers as well as store and restaurant chain owners buy directly from Canam. National accounts represent more than 10% of Canam's sales in Canada. Moreover, having close ties with its clientele allows the Company to promote the benefits of its other construction products. All work is custom-built. All sales contracts are firm, fixed-price contracts and are usually awarded following competitive bids for a project.

For the year ended December 31, 2007, no single customer accounted for more than 5% of Canam's sales in the steel joist and steel deck sector.

Competition

The Company is the largest fabricator of steel joists in Canada, with a market share of approximately 74%, and an important fabricator in the United States, with a market share of approximately 8%. There are approximately 50 steel joist fabrication plants in North America. The Company's main competitors in the U.S. are Nucor (Vulcraft), Commercial Metals Company (CMC Joists & Deck), Steel Dynamics (New Millenium), Schuff Steel (Quincy Joist) and EBSCO Industries (Valley Joist). Nucor, Commercial Metals Company and Steel Dynamics are integrated businesses which operate steel mills. During lows in the economic cycle, integrated companies may be tempted to lower their selling prices for joists and steel deck in order to maintain their steel mill production levels. This is part of the reason for Canam Steel's decision to focus on complex projects requiring more work hours per ton of steel. In Canada, Canam is the

only national player serving the country coast to coast. At the regional level, Canam competes with Delta Joists in Quebec, Omega Joists in Western Canada and MBS Steel in Ontario. No Canadian fabricator owns a steel mill. The Canadian market represents approximately 10% of the total North American market.

The Company is the largest steel deck fabricator in Canada. It has approximately 45% of the market share in Canada and approximately 3% of the market share in the United States. The Company's main competitors in Canada are Vicwest and Samuel Manu-Tech.

The Company believes that the differences between the Canadian and U.S. markets, including the requirements associated with harsher weather conditions in Canada, the Canadian Building Code and the metric system, have had the effect of limiting sales in Canada of steel components fabricated in the U.S. The Company cannot foresee whether the appreciation of the Canadian dollar against the U.S. dollar since 2004 will encourage American companies to increase their sales of U.S.-made steel components in Canada.

3.1.2 STRUCTAL-Heavy Steel Construction

The Company manufactures and sells heavy steel construction products under the Structural name. Structural provides specially designed structural steel components for projects such as sports complexes, industrial complexes, airport facilities and office towers.

Geographic Coverage

Structal's main structural steel fabrication plant is located in St. Gédéon de Beauce in the Province of Quebec. Given this location, the Company has historically concentrated its sales efforts primarily in Eastern Canada and the northeastern United States. The Company also plans to develop the Western Canada market. In order to respond to the demand for structural steel in the northeastern United States and Western Canada, the Company invested in its Point of Rocks (Maryland) and Sunnyside (Washington) plants to enable them to fabricate structural steel components. As in the steel joist sector, the cost of shipping structural steel products is high and represents a determining factor in the price of products. The projects undertaken by the Company are generally located within a radius of up to 1,100 kilometres of the steel fabrication plant, even though the products can be shipped over a greater distance in an economical manner by rail or sea. The USSL plant in Guangzhou, China, provides the Company with additional production capacity and allows it to take greater advantage of economic activity in North America.

Besides the fabrication distance factor, knowledge of a territory is a determining element in penetrating a market. Although the Company may not operate a plant in a given region, its knowledge of the territory and the companies that operate there provide it with opportunities to bid on projects. Therefore, the Company can obtain its steel products from local structural steel construction fabricators.

Customers

Structal focuses on complex and high-tonnage projects that make greater use of its engineering and construction expertise. On the strength of its expertise, Structal assists its customers in improving their designs by optimizing the quantity of steel required for projects and fast-tracking their delivery, allowing customers to achieve substantial savings. For large-scale projects, the Company offers design, fabrication, supervision and installation services on the project site. The customers of Structal-Heavy Steel Construction are mainly general contractors that retain the services of Structal as a sub-contractor. In turn, Structal retains the services of a steel erector if the contract stipulates that it is responsible for installing the steel on the job site. On average, a third of the costs associated with a contract are paid by Structal to the steel erector.

The Company has acquired extensive experience supplying structural steel components for large-scale construction projects such as sports complexes, industrial complexes, airport facilities and office towers. Structal recently completed a number of projects, including the Cira Centre in Philadelphia, Pennsylvania; the Newseum in Washington, D.C.; the Niagara Falls Casino in Ontario; the Eagles' football stadium in Philadelphia, Pennsylvania; the New England Patriots' stadium in Foxborough, Massachusetts; the Boston Convention & Exhibition Center in Massachusetts; the Lester B. Pearson International Airport in Toronto, Ontario; and the Pierre-Elliott-Trudeau International Airport in Montreal, Quebec. In addition, the Company secured contracts to fabricate the steel structures for the New York Mets' and Yankees' baseball stadiums, both of which will be completed in the Spring of 2008, as well as for the New York Giants' and New York Jets' football stadium and the Red Bulls' soccer stadium in New York, both of which are slated for completion during 2008.

Competition

The heavy steel construction sector is very fragmented. In North America, this sector accounts for over 3,000 active fabricators. A few medium-sized companies in Canada and New England are Structal's main competitors.

Concrete is also in competition with steel.

3.1.3 STRUCTAL-Bridges

The Company fabricates and sells highway, railway and forestry bridges made of steel as well as welded beams under the name Structal. These are specialized, oversized products that require complex fabrication. Structal-Bridges also fabricates structural bearings and expansion joints for bridge and highway infrastructure.

Geographic Coverage

Structal's bridge and welded beam fabrication plants are located in Quebec City, Quebec, and Claremont, New Hampshire, and its structural bearing and expansion joint fabrication plant is located in Laval, Quebec. Structal serves the Canadian and U.S. bridge fabrication markets. Components are transported by trailer or by train. Since rail transportation is known to be less

expensive than highway transportation, Structal is able to offer its products over a larger territory, including Western Canada, the Yukon, the Northwest Territories and the United States.

Although U.S. sales accounted for less than 10% of Structal's sales revenue before acquiring the assets of the Claremont plant, the Company is now in a position, under the *Buy American Act*, to participate in federal or federally-funded projects only accessible to producers with U.S.-based manufacturing operations.

Customers

Structal estimates that a great number of bridges across North America will need to be repaired or replaced in the coming years. Structal serves general contractors, governments and rail and forestry companies. In 2007, Structal landed the largest contract in its history. This contract worth \$30,000,000 was awarded for the construction of a bridge and three overpasses, as part of the ongoing Highway 25 project in Montreal, Quebec, and will be executed during 2008 and 2009.

Competition

The Company believes that Structal is the main steel bridge fabricator in Canada. Competition comes mainly from fabricators of smaller steel bridges or fabricators of concrete bridges, whether they are made of concrete poured on site or made from pre-stressed concrete beams. The Company believes that safety, feasibility and cost tip the scales in favor of steel as the construction material of choice for longspan and railway bridges. Steel price increases since 2004 generated increased competition in the shortspan bridge sector, where more concrete bridge structures are found. However, growth in the railway bridge market and the construction of a greater number of longspan bridges have contributed to Structal-Bridges' sustained growth since 2005. Besides concrete bridge manufacturers, Structal's competitors in Eastern Canada are Cherubini and Central Welding & Iron Works. Elsewhere in Canada the main bridge manufacturers are Rapid-Span and Supreme Steel.

Structal's main competitors in New England are High Steel Structures and Williams Bridge. The principal bridge manufacturers in the U.S. are High Steel Structures, Hirschfeld, PDM Bridge and W&W AFCO. When it comes to non-railway bridge manufacturing, competition is essentially at the regional level considering the cost of transportation and the size of the steel components. Structal competes with concrete bridge manufacturers in the U.S. as well.

3.1.4 HAMBRO – Concrete Floor System

The Hambro concrete floor system is a combination of Hambro steel joists and a concrete slab in compression. The system forms composite beams with a continuous slab. Use of a temporary formwork system eliminates the need for support columns under the floors when concrete is being poured. Spans can be as long as 13 meters. The system is used for the framework of buildings made of masonry, steel, wood and concrete. It is used for single-family dwellings, multi-story residential condominiums and commercial buildings. The Company holds patents in connection with the Hambro system in Canada and the United States. The Hambro system

features a fire-resistant factor recognized by Underwriters Laboratories, Inc. (UL) in the United States and by Underwriters Laboratories of Canada (ULC) in Canada.

The Hambro system is sold throughout North America. Hambro's principal markets are located in Eastern Canada and the eastern United States. Competition comes from wood, concrete and steel-based constructions.

3.1.5 MUROX – Building Systems

Murox provides building structures and shells that complement the Company's range of construction products. By combining steel joists and deck, the Company is able to design the entire structure and shell of a building.

Murox engineers, manufactures and erects buildings for industrial, commercial and institutional applications. These buildings use Murox insulated, load-bearing wall panels. These load-bearing wall panels are three metres wide and can reach almost 14 metres in height. They are shop-assembled. Shop prefabrication ensures superior thermal quality, helps speed up on-site installation and reduces the time spent on on-site management and supervision, while reducing the number of trades required to erect the building. Murox applies the exterior finishes on its wall panels in the shop.

Murox also offers specialized applications, such as the Econox portable building system, panels for refrigerated warehouse facilities and will, in the near future, offer ventilated thermal walls.

Murox is developing the energy-efficient building market. Murox offers turnkey solutions combining a high-performance building envelope system with energy-saving and renewable energy technologies that generate heating and air-conditioning cost savings. Murox delivered its first energy-efficient building in 2007.

Geographic Coverage

Murox's principal markets are Eastern Canada and the northeastern United States.

Competition

Murox's competitors are mainly general contractors who erect buildings according to traditional on-site construction and erection methods.

3.1.6 TECHNYX – Technical Outsourcing Services

Steel Plus Limited ("SPL"), a wholly-owned Cyprus-based subsidiary of the Company with a place of business in Kolkata, India, and Technyx Euro Services s.r.l., a wholly-owned Romanian subsidiary of the Company with a place of business in Brasov, Romania, doing business under the Technyx International name, provide drafting outsourcing services to the Company's business units and any third parties requiring such services. The latter tend mainly to be North American

and French steel product fabricators. From its Canadian offices, the Company also provides heavy steel construction drafting services to other business units under the Technyx name. The Company also has a drafting office in Guangzhou, China.

Technyx relies on a skilled workforce, based in its offices outside Canada, accounting for approximately 408 Technyx employees as at December 31, 2007. These offices were opened several years ago to mitigate the shortage of specialized industrial drafting personnel in North America and to gain a competitive edge in terms of steel construction project bid proposals. The Company believes that manpower in overseas countries where it is located is more readily available at a lower cost than in North America, enabling the Company and others who use these outsourcing services to be more competitive. Technyx's external customer base accounts for nearly 40% of its revenues.

Technyx offers its technical outsourcing services to commercial, residential and industrial construction markets as well as to 3D CAD software users. Its customers include several North American companies, some of which are shareholder-members of SPN, European companies and the Company's business units. The sale of outsourcing services is done through outsourcing contracts for a specific period, during which the customer assumes full responsibility for the drafter's work. In the current global context, all communications between the customer and the drafter may take place online. Technyx uses technologically-advanced office equipment and communications tools. To the Company's knowledge, there is no other company using this outsourcing model, although there are firms that offer similar services in other parts of the world, but on a flat-rate basis per project. Customers benefit from less costly services than those they would normally get in North America, a second shift due to the time difference, access to a pool of qualified and motivated personnel and the use of the latest technology.

3.1.7 CANAM INTERNATIONAL

Over the years, the Company has developed know-how that is acknowledged by the steel product fabrication industry. To increase its revenues and profitability, the Company has opted to export its know-how by acquiring interests in steel product fabrication companies outside Canada and the U.S. To date, the investment strategy consists in: (i) limiting the investment to a minority equity and voting interest in the company in which the Company invests; (ii) limiting the dollar amount of the investment per country in which the Company invests; (iii) recovering the capital investment within a relatively short timeframe; and (iv) obtaining royalties in return for the transfer of its know-how. In choosing partners, the Company looks for companies that are active in the construction products sector, well established in their markets, and equipped with the experience necessary to take on fabrication and marketing operations in a defined territory.

In 2003, Steel Plus Limited ("Steel Plus"), a wholly-owned subsidiary of the Company, and Zamil Industrial Investment Company ("Zamil"), a Saudi company, established Canam Asia Limited ("Canam Asia"), a Saudi company in which Steel Plus holds a 35% interest. Canam Asia operates two steel joist plants, one in Dammam, Saudi Arabia, and the other in Ra's Al Khaymah (RAK) in the United Arab Emirates, with an annual production capacity of 12,000 tons and 24,000 tons respectively. The RAK facility also fabricates steel deck. Their products are intended for the Middle East market. Zamil also operates a Vietnam-based steel joist fabrication plant,

which will call on the Company's know-how and for which the Company will receive royalties from Zamil.

In 2005, Steel Plus and KMAproeyektghilstroy, a Russian company, established Canam Russia Limited ("Canam Russia") in which Steel Plus holds a 35% interest. Canam Russia operates a steel joist and steel deck fabrication plant with an annual capacity of 18,000 tons in Stary Oskol, Russia. Its products are intended for the Russian market.

Canam International also includes the Company's interests in: (i) Canam S.A. (34%), a French company that operates a steel joist and structural steel fabrication plant with an annual capacity of 25,000 tons in Niort, France; (ii) Canam Romsa de Mexico, S.A. de C.V. (35%), a Mexican company that operates a steel joist and structural steel fabrication plant with an annual capacity of 45,000 tons in Monterrey, Mexico (see paragraph 2.2 of this Information Form – "Developments over the Last Three Fiscal Years"); and (iii) USSL (49%), a Chinese company that operates a structural steel and bridge fabrication plant with an annual capacity of 40,000 tons in Guangzhou, China (see paragraph 2.2 of this Information Form – "Developments over the Last Three Fiscal Years").

Finally, control over the construction project management operations of Canam Steel Romania S.R.L., a wholly-owned indirect subsidiary of the Company located in Brasov, Romania, is also assumed by Canam International.

3.2 Other Activities

As disclosed in its audited consolidated annual financial statements, the Company owns a portfolio of investments (the "Investments") in a number of private and public companies with a book value of \$73,238,000 as at December 31, 2007. Certain companies in which the Company invests provide such services to the Company as real estate leasing. The Company guaranteed a number of commitments made by such firms for an aggregate amount of \$3,292,000 as at December 31, 2007, compared with \$9,931,000 as at December 31, 2006.

The Company's most important investment consists of preferred shares in Finloc Inc. ("Finloc") with a redemption value of approximately \$54,836,000 as at December 31, 2007. Mr. Marcel Dutil indirectly owns all of the voting shares in Finloc. As at December 31, 2007, Finloc had consolidated assets with a book value of approximately \$56,900,000 spread over the following types of activities: approximately \$28,700,000 for financing, \$20,400,000 for investments, \$2,100,000 for real estate and \$5,700,000 for other assets.

Prior to June 2001, the Company held 49.5% of the voting shares in Finloc as well as preferred shares in the share capital of Finloc, the balance of the shares being held indirectly by Mr. Marcel Dutil. In June 2001, with a view to implementing a plan designed to focus on its industrial activities and production assets, the Company completed the restructuring of its investments in Finloc. Following this restructuring, the Company no longer held any voting shares in Finloc and retained only an investment in the form of preferred shares. Also in June 2001, the Company, Placements CMI Inc. ("Placements CMI"), a company whose voting shares are beneficially owned, directly or indirectly, by Mr. Marcel Dutil, and Finloc entered into a shareholders' agreement (the "Shareholders' Agreement") which provides, among other things,

that such preferred shares are redeemable in cash over a period of 15 years and entitle the Company to cumulative dividends that are payable semi-annually and that vary according to prevailing interest rates. Since the June 2001 restructuring, Finloc (i) has paid out dividends totaling \$10,110,177 on the preferred shares owned by the Company and (ii) has redeemed from the Company \$16,990,783 in preferred shares.

In June 2005, as part of a series of transactions concluded on that date (see paragraph 9.1 under Item 9 of this Information Form – “Interest of Management and Others in Material Transactions”), including the redemption by Finloc of preferred shares of its share capital held by the Company for an amount of \$10,079,305, the Company, Placements CMI and Finloc modified the Shareholders’ Agreement. More specifically, it was agreed to change the terms and conditions of redemption of the preferred shares held by the Company as follows:

- The year 2008 was set as the fiscal year when Finloc’s obligation would begin anew to annually redeem a minimum amount in value of preferred shares.
- The value of the preferred shares held in Finloc by the Company was indexed as of January 1, 2005 at an annual rate of 3.77%, to create a redemption premium. This redemption premium replaces the previously existing dividend, which was eliminated on the same date.
- The redemption amount for Finloc’s preferred shares was set at \$6,000,000 for each of the years 2008, 2009 and 2010 less:
 - for 2008, any redemption occurring between June 30, 2005 and January 1, 2008;
 - for 2009, any redemption occurring between June 30, 2005 and January 1, 2009 in excess of \$6,000,000; and
 - for 2010, any redemption occurring between June 30, 2005 and January 1, 2010 in excess of \$12,000,000.
- The minimum redemption amount for each of the years 2011 to 2015 inclusive was set at \$4,500,000.
- The date of June 30, 2016 was maintained as the date by which all redemption of preferred shares must be completed.

A committee of the Board of Directors of the Company (the Investment-Monitoring Committee), composed of independent directors, meets on a regular basis to analyze all of the Company’s undertakings with its affiliates, including those with Finloc. This committee recommended that the Board approve certain transactions (see paragraphs 9.1, 9.2 and 9.3 under Item 9 of this Information Form – “Interest of Management and Others in Material Transactions”).

In the course of performing their operations, Placements CMI, its subsidiaries and the Company entered into related-party transactions. For the year ended December 31, 2007, income and expenses from these transactions amounted to \$2,447,000 and \$10,849,000 respectively.

3.3 Environmental Policies and Considerations

Respect for and protection of the environment represent important values for the Company, whose policy is to comply with all applicable environmental laws and regulations in all its operations. The Company’s management conducts regular inspections of the plants to ensure that they comply with environmental standards.

The core business of the Company is the transformation of steel through cutting, bending and welding. The finished products are generally covered with a primer coat.

Steel, the raw material, poses little risk to the environment and is easily recyclable.

Operations that pose a potential environmental impact are welding, which creates smoke (emitted in the form of particles in suspension), and painting, which results in the emission of volatile organic compounds (VOC) and generates dangerous residual materials. The Company has implemented appropriate measures to minimize the impact that storing and disposing of its dangerous residual materials might have on the environment.

3.4 Human Resources

As at December 31, 2007, the Company employed 3,050 people. The following table lists the number of employees by country.

**CANAM GROUP INC.
TOTAL NUMBER OF EMPLOYEES
AS AT DECEMBER 31, 2007**

| <u>Country</u> | <u>Number of employees</u> |
|----------------|----------------------------|
| Canada | 1,704 |
| United States | 905 |
| Romania | 364 |
| India | <u>77</u> |
| Total | <u>3,050</u> |

The majority of plant employees are unionized. The Company has 11 collective agreements with its employees. In the United States, a collective agreement was renewed in 2007. The Company believes that its business units and subsidiaries enjoy good labour relations.

3.5 Risk Factors

The item "Risk Factors Relating to the Company's Business" under Management's Discussion and Analysis in the 2007 Annual Report is incorporated herein by reference.

ITEM 4 - CAPITAL STRUCTURE

4.1 General Description of the Capital Structure

The authorized share capital of the Company is comprised of an unlimited number of common shares ("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 or

more series, and the Board of Directors may determine the conditions attached to said shares at the time of issuance. If such shares are voting shares, they only confer one (1) vote per share upon their holder.

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

The following is a brief description of the attributes of the common shares. This description does not purport to be complete, and is subject to the Company's articles.

Common Shares

Voting Rights

Subject to the *Companies Act* (Quebec), the holders of common shares are entitled to receive notices of, and to be present and to vote at, all of the Company's shareholders' meetings. Each common share entitles the holder thereof to one vote per share which may be exercised in person or by proxy.

Dividends

The holders of common shares are entitled to receive dividends from the funds of the Company, if, as and when declared by the directors.

ITEM 5 - DIVIDENDS

Despite a favorable economic climate in 2005, the Company maintained the decisions it made over the previous two years not to pay a quarterly dividend on its common shares during fiscal year 2005. As of the first quarter of 2006, the Company reintroduced the payment of a quarterly dividend of \$0.04 per common share. Both the declaration and the amount of the dividend are reviewed on a quarterly basis by the Board of Directors of the Company.

Prior to August 25, 2006, the Company's issued and authorized share capital was composed of multiple voting shares (see paragraph 9.3 under Item 9 of this Information Form – "Interest of Management and Others in Material Transactions"). These shares were cancelled on August 24, 2006. The articles of the Company previously entitled holders of multiple voting shares to an annual, preferential, fixed, non-cumulative dividend of \$0.02666 per share, payable in four quarterly instalments of \$0.00665. For fiscal year 2005, the Company did not pay dividends to the holders of multiple voting shares. For the first quarter of 2006, the Company declared an annual dividend on its multiple voting shares. Quarterly payments were made only for the first two quarters of 2006.

ITEM 6 - MARKET FOR SECURITIES

The Company's common shares are listed on the Toronto Stock Exchange and are identified by the symbol "CAM".

The following table indicates, for each month of fiscal year 2007, the price range and volume of the Company's common shares traded on the Toronto Stock Exchange.

| Month | High (\$) | Low (\$) | Close (\$) | Volume |
|----------------|----------------------|---------------------|-----------------------|--------------------------|
| January 2007 | 9.40 | 9.00 | 9.13 | 1,782,128 |
| February 2007 | 10.00 | 9.10 | 9.60 | 892,290 |
| March 2007 | 10.40 | 9.65 | 10.16 | 1,387,721 |
| April 2007 | 10.30 | 9.56 | 9.91 | 2,464,851 |
| May 2007 | 10.25 | 9.50 | 10.15 | 2,297,818 |
| June 2007 | 10.74 | 9.98 | 10.50 | 976,549 |
| July 2007 | 13.56 | 10.37 | 13.00 | 3,092,628 |
| August 2007 | 14.44 | 12.11 | 13.87 | 3,430,407 |
| September 2007 | 14.13 | 13.54 | 13.90 | 5,603,565 |
| October 2007 | 15.98 | 13.74 | 15.94 | 2,080,758 |
| November 2007 | 15.70 | 11.31 | 11.91 | 1,807,678 |
| December 2007 | 14.34 | 11.40 | 14.15 | <u>1,530,666</u> |
| Total | | | | <u>27,347,059</u> |

The closing prices of the Company's common shares as at December 31, 2006 and December 31, 2007 were \$9.26 and \$14.15 respectively.

ITEM 7 - DIRECTORS AND OFFICERS

7.1 Directors

The following table lists the name, municipality and province of residence of each director of the Company, his/her position and principal occupation and the year in which he/she became a director.

| Name and municipality of residence | Position and principal occupation | Director since |
|---|---|---------------------------|
| Élaine Beaudoin Westmount, Quebec ^{(1) (4)} | Corporate Director | 2000 |
| Anne-Marie Dutil Blatchford Westmount, Quebec | Corporate Director | 1998 |
| Marc Dutil St. Georges, Quebec | President and Chief Operating Officer Canam Group Inc. | 2002 |

| | | |
|--|--|------|
| Marcel Dutil, C.M. Montreal, Quebec | Chairman of the Board and Chief Executive Officer Canam Group Inc. | 1972 |
| Paul Gobeil Ottawa, Ontario ⁽²⁾⁽³⁾ | Chairman of the Board DiagnoCure Inc. (company developing and commercializing diagnostic tests) and Vice Chairman of the Board Metro Inc. (food retailer) | 1992 |
| Pierre Lortie, C.M. St. Lambert, Quebec ⁽¹⁾⁽³⁾⁽⁴⁾ | Senior Business Advisor Fraser Milner Casgrain LLP (law firm) | 2004 |
| Pierre Marcouiller Magog, Quebec ⁽²⁾ | President and Chief Executive Officer Camoplast Inc. (manufacturer of parts for road and off-road vehicles) | 2007 |
| Normand Morin Montreal, Quebec ⁽²⁾⁽³⁾ | Corporate Director | 2005 |
| Robert Parizeau Montreal, Quebec ⁽¹⁾⁽²⁾⁽⁴⁾ | Corporate Director | 1990 |
| Pierre Thabet St. Georges, Quebec ⁽²⁾ | President Boa-Franc, G.P. (wood flooring manufacturer) | 2006 |
| Jean-Marie Toulouse Town of Mount Royal, Quebec ⁽¹⁾⁽⁴⁾ | Professor École des Hautes Études Commerciales de Montréal (HEC) (university) | 2006 |
| Jean Turmel Montreal, Quebec ⁽¹⁾ | President Perseus Capital Inc. (fund management company) | 2006 |

(1) Member of Audit Committee

(2) Member of Human Resources Committee

(3) Member of Corporate Governance Committee

(4) Member of Investment-Monitoring Committee (*non-standing committee*)

All members of the Board of Directors are Canadian residents. All of these people will continue in office until the Company's next Annual General Meeting of Shareholders. During the past five years, they have all held their current positions or another position within the company indicated opposite their name or a predecessor of that company, with the exception of: (i) Mr. Pierre Lortie, who was Chairman of the Transition Committee of the Agglomeration of Montreal from June 2004 to December 2005 and who, prior to June 2004, held various management positions with Bombardier Inc. until December 2003, the most recent being President and Chief Operating Officer of Bombardier Transport; (ii) Mr. Normand Morin, who was Executive Vice President of SNC-Lavalin Group Inc. until December 2004; (iii) Mr. Jean-Marie Toulouse, who was Director of the École des Hautes Études Commerciales de Montréal until August 2006; (iv) Mr. Jean

Turmel, who was President, Financial Markets, Treasury and Investment Banking, for National Bank of Canada until December 2004; and (v) Mr. Paul Gobeil, who was Chairman of the Board of Export Development Canada (EDC) until March 28, 2007, and who has been a director of DiagnoCure Inc. since March 2005.

7.2 Executive Officers

The following table lists the name, municipality, province of residence, position and principal occupation of each executive officer of the Company.

| Name and municipality of residence | Position within the Company |
|---|---|
| Marcel Dutil Montreal, Quebec | Chairman of the Board and Chief Executive Officer |
| Marc Dutil St. Georges, Quebec | President and Chief Operating Officer |
| Pierre Arcand Sherbrooke, Quebec | President Murox |
| Mario Bernard St. Georges, Quebec | President Canam Canada and Structal |
| Sam Blatchford Westmount, Quebec | President Canam Steel Corporation and Hambro |
| John Bradley St. Julie, Quebec | Vice President, Credit |
| Mihran Cicek Montreal, Quebec | Vice President, Research and Analysis |
| Robert Dutil Quebec City, Quebec | Vice President Structal-Bridges |
| Jasmin Gosselin St. Bruno, Quebec | Vice President, Communications |
| Louis Guertin Kirkland, Quebec | Vice President, Legal Affairs, and Secretary |
| René Guizzetti Laval, Quebec | Vice President, Corporate Control and Taxation |
| Georges Hage-Chahine Town of Mount Royal, Quebec | President Canam International |
| Richard Moisan Mont St. Hilaire, Quebec | Vice President, Internal Audit |

| | |
|---|---|
| Joël Nadeau St. Gédéon de Beauce, Quebec | Vice President Canam Canada |
| Luc Pelland Beaconsfield, Quebec | President, Structural-Heavy Steel Construction, and Vice President, Purchasing |
| Charles Pinel St. Georges, Quebec | Vice President and Chief Financial Officer |
| Raymond Pomerleau Longueuil, Quebec | Treasurer |
| Claude Provost St. Georges, Quebec | Vice President, Human Resources |
| Jean Thibodeau Laval, Quebec | President, Technyx, and Vice President, MIS |
| Pierre Turgeon St. Georges, Quebec | Vice President, Finance, Manufacturing Sector |
| Richard Vincent Westmount, Quebec | Vice President, Research |

During the past five years, the executive officers have all held their current positions or another position within the Company, with the exception of Mr. Charles Pinel, who, prior to March 2005, was Vice President, Finance of Victor Woollen Products Ltd.

7.3 Security Holdings

As at December 31, 2007, directors and officers collectively owned, directly or indirectly, 8,230,736 common shares in the Company, representing 16.67% of the total number of voting shares.

7.4 Cease-Trading Order, Bankruptcies, Penalties or Sanctions

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 Annual Information Form, or has been, within ten (10) years prior to the date of this Annual Information Form, 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 i) 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 ii) Mr. Paul Gobeil, a director of the Company 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.

7.5 Conflicts of Interest

Paragraph 3.2 of Item 3 – “Description of Operations - General Profile” of this Information Form describes the Company’s investment in Finloc Inc., a company whose voting shares are beneficially owned, directly or indirectly, by Mr. Marcel Dutil. Finloc Inc., and certain other companies whose voting shares are beneficially owned, directly or indirectly, by Mr. Marcel Dutil, provide such services as the leasing of immovable property to the Company. These transactions are conducted in the normal course of business or, where applicable, have been authorized by the Board of Directors of the Company. In the opinion of the Company’s management, these transactions were conducted under market conditions as though negotiated at arm’s length. The Audit Committee is responsible for reviewing these transactions once a year.

ITEM 8 - LEGAL PROCEEDINGS

There are several legal proceedings and claims currently filed against the Company. While it may be impossible to predict the outcome of such proceedings, management believes that all of these suits, taken together, will not result in pecuniary damages likely to interfere materially with the Company’s activities.

ITEM 9 - INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

9.1 Investment in Finloc Inc.

Reference is made to paragraph 7.5 of Item 7 of this Information Form – “Directors and Officers”. On June 23, 2005, Finloc Inc. (“Finloc”) transferred to the Company a debt of \$11,920,500 owed to Finloc by Les Édifices Canam Manac inc. (“Édifices”), a wholly-owned subsidiary of Finloc and the owner of buildings leased by the Company for its activities. The debt was transferred for a consideration of \$11,920,500 plus the assumption of a hypothec. The debt was secured by a second rank hypothec on all the buildings owned by Édifices and was interest-bearing. As part of that transaction, Finloc had also granted the Company an option to purchase all the shares of Édifices for a consideration of \$100 (the “Option”), which Option could be exercised as of November 25, 2006. Based on independent valuations, the Company’s Board of Directors agreed that the fair market value of Édifices’ buildings should be fixed at \$19,500,000. On exercise of the option, the balance of the hypothec on the buildings of Édifices was not to exceed the difference between the agreed upon value of the buildings and the transfer price of the debt.

Following the transfer of the debt, Finloc applied the proceeds of the transfer of the debt to the redemption of preferred shares from its share capital held by the Company with a redemption value of \$10,079,305 and to the payment to the Company of accrued dividends amounting to \$1,841,195.

The Company had agreed to purchase from Finloc Inc. rental real estate at market value following the anticipated redemption of the preferred shares in Finloc held by the Company. However, to ensure there would be no transfer taxes to pay upon the purchase of the real estate, Finloc transferred the real estate to Édifices, which was to remain the real estate owner for a two-year period. The Option to purchase held by the Company could only be exercised upon the expiration of this period. Édifices paid the purchase price of the real estate through the issue of shares and a promissory note representing the proceeds of the sale of the real estate, net of the hypothecs assumed by Édifices. Finloc used the proceeds of the sale to redeem the preferred shares held by the Company and to pay dividends to the Company.

As part of the June 23, 2005 transactions, the Company, Placements CMI inc. ("Placements CMI") and Finloc modified the Shareholders' Agreement with respect to the holding of shares in Finloc by the Company and Placements CMI. See paragraph 3.2 of this Information Form – "Other Activities", for information on the changes to the Shareholders' Agreement.

Under an agreement concluded September 29, 2006, between the Company, Placements CMI, Finloc and Édifices, Édifices repaid \$8,400,000 of the above-mentioned \$11,920,500 debt to the Company. Immediately prior to the date of repayment, the principal and interest owing stood at \$12,656,147, and the balance was reduced to \$4,256,147 following the repayment. At the same time, Édifices and the Company agreed that the debt should be repaid in full no later than December 31, 2010, which Édifices did in December 2007. On September 29, 2006 and pursuant to the above-mentioned agreement, the Company assigned its Option to CMI for a consideration of \$10. An independent committee of the Board of Directors of the Company had concluded that, in the context of the transaction as a whole, assigning the Option rather than exercising it would be in the best interest of the Company from a financial point of view.

Mr. Marcel Dutil, Chairman of the Board and Chief Executive Officer of the Company, beneficially owns, directly or indirectly, the voting shares of Placements CMI, Finloc and Édifices.

9.2 Amounts Receivable from Related Parties

All the amounts receivable mentioned in section 9.2 had been repaid in full to the Company as at December 31, 2007.

In March 2005, the Company had the following accounts receivable: (i) US\$4,200,000 (\$5,103,544) receivable from Marsan Investment, LLC ("Marsan") and (ii) US\$2,744,651 (\$3,335,574) receivable from Placements CMI. The amount receivable from Marsan was guaranteed by Placements CMI and secured by liens on all the assets of Marsan and its subsidiaries. The amount receivable from Placements CMI was comprised of US\$2,000,000, paid to Bank of America on November 1, 2004 by Canam Steel as guarantor of a Bank of America loan to a company whose voting shares were beneficially owned, directly or indirectly, by Mr. Marcel Dutil until December 2, 2004, and US\$744,651 in interest charges and other expenses.

In refinancing its U.S. credit facilities in March 2005, Canam Steel repaid the balance on the loans (US\$10,050,000) granted by Bank of America to two companies, the majority of whose voting shares were beneficially owned, directly or indirectly, by Mr. Marcel Dutil until December 2, 2004, loans which Canam Steel had guaranteed. Placements CMI had been the guarantor of the Bank of America loans for Canam Steel. The guarantees from Canam Steel to Bank of America had been given to financially support the companies who benefited from the guarantees.

The advances to Marsan by the Company were intended to allow Marsan to acquire assets put up for sale by a bankruptcy court in the United States.

As of the second quarter of 2005, the amounts recorded as guarantees (except for the amount receivable from Marsan) were restated in the Company's books as accounts receivable. To that effect, Placements CMI signed an acknowledgement of debt. As at December 31, 2007, Placements CMI Inc. had repaid in full to the Company the amounts which it owed to the Company pursuant to the acknowledgement of debt.

As at December 31, 2007, the amounts receivable from Marsan had also been repaid in full to the Company.

9.3 Conversion of Multiple Voting Shares into Common Shares

On August 24, 2006, Placements CMI and its wholly-owned subsidiary, 9085-6063 Québec Inc., two companies beneficially owned, directly or indirectly, by Mr. Marcel Dutil, Chairman of the Board and Chief Executive Officer of the Company and until that date the majority shareholder of the Company, converted 7,000,000 Class "C" multiple voting shares (conferring five (5) votes per share) in the Company into 1,850,030 Class "A" subordinate voting shares (one vote per share) in the Company, representing a conversion ratio of 0.26429 Class "A" subordinate voting share to one Class "C" multiple voting share. Following the conversion of all Class "C" shares, the rights, privileges, restrictions and conditions conferred by these shares were cancelled, and consequently the Company's share capital no longer provides for multiple voting shares. Immediately following this share conversion, the percentage of voting rights held directly or indirectly by Mr. Marcel Dutil went from 52.68% to 20.66%. On August 28, 2006, Class "A" subordinate shares were renamed common shares.

This share transaction followed the adoption on March 10, 2006 by the Company's Board of Directors of a by-law regarding the amendment to the articles of the Company in order to provide for the conversion right conferred by Class "C" shares at the conversion rate mentioned above. The by-law was confirmed by the shareholders of the Company at the Company's Annual General and Special Shareholders Meeting held April 26, 2006. The Board of Directors of the Company determined that this transaction was fair to shareholders from a financial standpoint and that it was in their best interest. The Board's determination was based on the recommendation of a committee of independent directors set up to review the transaction and on a fairness opinion issued on March 9, 2006, by Ernst & Young Orenda Corporate Finance Inc.

The Class "C" shares were redeemable at the holder's discretion, at (i) an amount equal to the average, per multiple voting share, of the amounts deposited into the issued and paid share capital

account maintained for multiple voting shares, plus (ii) an amount equal to all the dividends declared on the multiple voting shares and which remained unpaid on the redemption date. The redemption value of all Class “C” shares was \$3,775,990 or \$0.54 per share. The closing price of the Class “A” subordinate shares on the Toronto Stock Exchange was \$9.05 on March 13, 2006, the day prior to the date of publishing a press release announcing the adoption by the Board of Directors of the Company of the by-law regarding the amendment to the articles of the Company in order to provide for the conversion right conferred by Class “C” shares.

Mr. Marcel Dutil, Chairman of the Board and Chief Executive Officer of the Company, beneficially owns, directly or indirectly, the voting shares in 9085-6063 Québec Inc.

ITEM 10 - TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares of the Company is Computershare Investor Services Inc. located at 1500 University Street, Suite 700, Montreal, Quebec, H3A 3S8. Computershare Investor Services Inc. also has offices in Toronto, Ontario.

ITEM 11 - MATERIAL CONTRACTS

11.1 Investment in Finloc Inc.

See paragraph 7.5 under Item 7 – “Directors and Officers” and paragraph 9.1 under Item 9 – “Interest of Management and Others in Material Transactions” of this Annual Information Form.

ITEM 12 - INFORMATION ON THE AUDIT COMMITTEE

Composition

The Audit Committee is composed of Ms. Éline Beaudoin and Messrs. Pierre Lortie, Robert Parizeau, Jean-Marie Toulouse and Jean Turmel. Each member of the Committee is independent and financially literate within the meaning of *Regulation 52-110 respecting audit committees*.

Financial Literacy

Each member of the Company’s Audit Committee has a good grasp of generally accepted accounting principles and has the ability to understand financial statements that present a degree of complexity generally comparable to that of the accounting issues which may reasonably be raised in the Company’s financial statements. This section describes at greater length how these members acquired such financial literacy.

Éline Beaudoin. Ms. Beaudoin is a corporate director. She holds a Bachelor’s degree in Accounting from the Université du Québec à Montréal and a Bachelor of Commerce degree from McGill University in Montreal. She holds a certificate from the Institute of Corporate Directors and is a member of the Ordre des comptables agréés du Québec.

In addition to her university education, Ms. Beaudoin acquired auditing skills as a corporate auditor with Coopers & Lybrand. Ms. Beaudoin was also President and General Manager of the manufacturer Unifix Inc. for more than nine years.

She has several years of experience as a corporate director with LMS Medical Systems Ltd., Hebdo-Litho Inc. and Lower Canada College. She is a member of the audit committee of LMS Medical Systems Ltd.

Pierre Lortie. Mr. Lortie is Senior Business Advisor with Fraser Milner Casgrain LLP. He also serves as the person responsible for the elements of the CHUM and MUHC Hospital Redevelopment Projects, for the Agence des partenariats public-privé du Québec (PPP Québec). He holds an MBA from the University of Chicago and a certificate from the Institute of Corporate Directors.

During his career of over twelve years at Bombardier Inc., Mr. Lortie held a variety of positions, including that of President and Chief Operating Officer of Bombardier Capital and Bombardier Transport. At Bombardier Capital, he was responsible, among other things, for overseeing internal controls and monitoring the accuracy of the financial reporting and of the information and disclosures required by regulatory agencies such as the U.S. Securities and Exchange Commission, as Bombardier Capital was a reporting issuer on the American and Canadian markets.

He also served as President and Chief Executive Officer of Provigo Inc. and as President of the Montréal Exchange. In his role at the Montréal Exchange, he was responsible for the financial audit of several securities brokers and compliance with financial reports and other disclosures necessary to conform to securities legislation and the requirements for listing on the Montréal Exchange.

Mr. Lortie is Chairman of the Board of Country Style Food Services Inc. As well, he is a director of Altair Nanotechnologies, Inc. and Dynaplas Ltd. and sits on the advisory committee of CAI Capital Partners Corporation. Mr. Lortie was formerly a member of the Lyrtech Inc. audit committee.

Robert Parizeau. Mr. Parizeau is Chairman of the Board of Aon Parizeau Inc. He holds a Commerce degree from the HEC Montréal.

Mr. Parizeau acquired his auditing skills while working with public and private corporations. He was the Chief Executive Officer of Sodarcac Inc. He has more than 15 years of experience as an audit committee member. Mr. Parizeau currently sits on the audit committees of Power Corporation of Canada. He is chairman of the audit committees of National Bank Life Insurance Company, SCOR Canada Reinsurance Company and the Musée National des Beaux-arts du Québec. He previously sat on the audit committees of Gaz Métro, National Bank of Canada, National Bank Financial and Van Houtte Inc.

Jean-Marie Toulouse. Mr. Toulouse is a professor at HEC Montréal. He holds a Doctorate in Social Psychology from the Université de Montréal.

Mr. Toulouse was the Director of HEC Montréal between 1995 and 2006. In his role at HEC, Mr. Toulouse annually managed an operating budget of over \$100,000,000, a research budget of \$5,000,000 and a capital budget that varied between \$5,000,000 and \$60,000,000. As a result, he gained a good understanding of generally accepted accounting principles (GAAP) and of their application. Mr. Toulouse also has more than 30 years' experience as a university professor of entrepreneurship and corporate strategy at the HEC.

Jean Turmel. Mr. Turmel is President of Perseus Capital Inc., a fund management company. He holds a Bachelor's degree in Commerce and a Master's degree in Administration from Laval University in Quebec City.

Mr. Turmel held a variety of positions with National Bank of Canada between 1981 and 2004, most notably that of President, Financial Markets, Treasury and Investment Banking, from 1998 to 2004. With more than 35 years' experience in the financial sector, Mr. Turmel has often been called upon to analyze financial statements either in a managerial role or as head of financial markets, particularly in connection with the issuance of debt or equity.

Mr. Turmel is a director of Alimentation Couche-Tard inc., the Montréal Exchange, Maple Financial Group Inc., Ontario Teachers' Pension Plan ("OTPP") and Canada Post Corporation. He chairs OTPP's audit and actuarial committee and is a member of the audit committee of Canada Post Corporation. He is also Chairman of the Board of the Montréal Exchange.

Audit Committee Charter

The Audit Committee Charter sets out the roles and responsibilities of the Audit Committee of the Company. A copy of the charter is attached hereto as Schedule A.

Pre-approval Policies and Procedures for Audit Services

The Audit Committee adopted a policy regarding the range of services provided by external auditors. This policy forbids the Company from hiring external auditors to provide certain non-auditing services, such as bookkeeping and other services related to accounting records or financial statements, financial information systems design and implementation, valuation services, fairness opinions on prices offered or contribution-in-kind reports, actuarial services, internal audit outsourcing services, management functions, human resources, brokerage, investment or investment banking services, as well as legal services or expert services unrelated to auditing. In certain cases, the policy allows the Company to retain the services of external auditors for the purpose of rendering non-audit services, provided that such services are not prohibited and that they have received the prior approval of Audit Committee.

A copy of the policy regarding the range of services offered by external auditors can be obtained free of charge, upon request, from the Company's Corporate Secretary at 270, chemin Du Tremblay, Boucherville, Quebec, J4B 5X9.

External Auditor Service Fees (by Category)

The following table sets out the fees billed by the external auditors of the Company, PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. ("PricewaterhouseCoopers"), for the fiscal years ended December 31, 2006 and 2007. These numbers include fees billed by PricewaterhouseCoopers for services rendered to the Company's subsidiaries.

| Fee Category | 2006 | 2007 |
|--------------------|------------------|--------------------|
| Audit fees | \$554,837 | \$641,936 |
| Audit-related fees | \$137,784 | \$343,037 |
| Tax-related fees | \$98,178 | \$88,020 |
| All other fees | \$39,256 | \$17,606 |
| Total | \$830,055 | \$1,090,600 |

“**Audit fees**” include total fees paid to PricewaterhouseCoopers for the audit of the annual consolidated financial statements, quarterly review missions, and other audits and statutory filings.

“**Audit-related fees**” include total fees paid to PricewaterhouseCoopers for audit-related services such as the retirement plan audit and advice on accounting standards and financial reporting.

“**Tax-related fees**” include total fees paid to PricewaterhouseCoopers for services related to tax compliance, tax advice, and tax consultation and planning services related to the preparation of the Company's income tax returns, capital taxes and sales taxes.

“**All other fees**” include total fees paid to PricewaterhouseCoopers for all services other than those described above, such as due diligence services as part of acquisitions.

ITEM 13 - ADDITIONAL INFORMATION

Additional information on the Company is available on the Internet, on the SEDAR (System for Electronic Document Analysis and Retrieval) web site at www.sedar.com, as well as on the Company's web site (www.canamgroup.ws).

The Company will provide copies of the following documents to any person or company who makes such a request to the Communications Department or to the Company's Corporate Secretary at 270, chemin Du Tremblay, Boucherville, Quebec J4B 5X9:

- (a) when the securities of the Company are in the course of a distribution under a short form prospectus, or a preliminary short form prospectus, (i) a copy of the annual information form (“AIF”) of the Company and a copy of any document, or the relevant pages of any document, incorporated by reference in the AIF, (ii) a copy of the comparative financial statements of the Company for its most recently completed fiscal year and any auditors' report thereon as well as a copy of the most recent quarterly financial statements of the Company that have been filed, if any, for any period after the end of its most recently completed fiscal year, (iii) a copy of the

management proxy circular of the Company in respect of its most recent annual general meeting of shareholders during which directors were elected or a copy of any documents prepared in the place and stead of such circular, if any, and (iv) a copy of any other document incorporated by reference in the preliminary short form prospectus or the short form prospectus which has not been provided pursuant to (i) to (iii) hereinabove; or

(b) at any other time, a copy of any document to which reference is made in (a) (i) to (iii) above, provided that the Company may require the payment of a reasonable charge if the request is made by a person or company who is not a holder of securities of the Company.

Additional information, including information on the remuneration of directors and officers as well as the names of the principal holders of the Company's securities and the securities authorized for issuance under equity compensation plans, is presented for the 2007 fiscal year in the Management Proxy Circular of the Company relating to the Annual General Meeting of Shareholders scheduled for April 30, 2008, which Circular will be filed separately by the Company through SEDAR in March 2008. Additional financial information, in particular the audited consolidated financial statements for the fiscal year ended December 31, 2007 and the related Management Discussion and Analysis, were filed separately by the Company through SEDAR.

SCHEDULE A

CANAM GROUP INC.

Audit Committee Charter

This Charter sets out the roles and responsibilities of the Audit Committee of Canam Group Inc. (the "Company"). The roles and responsibilities described in this Charter must at all times be exercised in accordance with the requirements of the legislation and regulations governing the Company and its subsidiaries.

COMPOSITION:

The Audit Committee is composed of at least three directors of the Company, all of whom are independent of the Company and financially literate. The quorum necessary to constitute a meeting of the Audit Committee is set at three directors.

"Independent" refers to an individual who has no direct or indirect material relationship with the Company. A material relationship refers to a relationship which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

"Financial literacy" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Audit Committee's responsibilities extend to the Company and its subsidiaries.

OBJECTIVES:

The audit committee's objectives are as follows:

- to assist the Board of Directors in performing its duties and in particular to ensure that the Company's management assumes its responsibilities with respect to:
 - the production of reliable financial information;
 - the identification of the Company's principal risks and the implementation of the appropriate systems to manage those risks;
 - the integrity of the Company's internal controls and management information systems;
 - the Company's compliance with the requirements of the stock exchanges, government agencies, laws and regulations; and

- a communications policy targeting the shareholders and the general public;
- to establish effective lines of communication between the Board of Directors, management and the external and internal auditors;
- to reinforce the independent status of the external and internal auditors;
- to ensure the integrity of published financial reports.

ROLES AND RESPONSIBILITIES:

1. REPORTS TO THE BOARD OF DIRECTORS

The Audit Committee (the "Committee") must periodically report on the results of the review services rendered and make recommendations to the Board of Directors.

2. FINANCIAL INFORMATION

- 2.1 The Committee reviews the Company's annual audited financial statements and annual Management Discussion and Analysis and recommends their adoption by the Board of Directors.
- 2.2 The Committee reviews the Company's interim financial statements and Management Discussion and Analysis and recommends their adoption by the Board of Directors.
- 2.3 The Committee reviews the press releases concerning the Company's annual and interim earnings and recommends their adoption by the Board of Directors.
- 2.4 In addition to the annual and interim financial statements and management's interim and annual Management Discussion and Analysis, the Committee reviews all the documents containing financial information, audited or not, notably the prospectuses and the Annual Information Form, and approves them or recommends their approval by the Board of Directors, as the case may be, before their publication.
- 2.5 The Committee must be satisfied that adequate procedures are in place to review the Company's public disclosure of financial information extracted or derived from its financial statements, other than the financial information referred to in subsections 2.1, 2.2 and 2.3 above, and periodically assesses the adequacy of those procedures.
- 2.6 The Committee reviews the external auditor's reports.
- 2.7 The Committee reviews, together with the Company's management and the external auditor, the different accounting policies and the changes proposed to those policies, as well as the different estimates performed by management that could have a significant impact on the financial information.

- 2.8 The Committee reviews, together with the Company's management and the external auditor, all major decisions regarding the evaluation or presentation of the financial information.
- 2.9 The Committee reviews the accounting treatment of material operations outside the ordinary course of business of the Company.
- 2.10 The Committee ensures coordination between the Company's management and the stock exchanges, the government agencies and the external auditor.

3. INTERNAL CONTROLS

- 3.1 The Committee, through communications with the external and internal auditors, ensures the effectiveness of the internal controls and the reliability of the published financial information.
- 3.2 The Committee keeps informed, through the external and internal auditors, of any weaknesses in the systems that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws and regulations.
- 3.3 The Committee ensures the effectiveness of the coordination between the internal auditor and the external auditor.
- 3.4 The Committee periodically reviews financial management's organization chart, the circumstances surrounding the departure of the management member in charge of finance and of any other senior finance employee involved in procedures for financial reporting, as well as the appointment of individuals in these functions.
- 3.5 The Committee reviews the financial and accounting aspects of transactions between related parties.

4. INTERNAL AUDIT

- 4.1 The Committee reviews and approves the internal auditor's mandate.
- 4.2 The Committee assesses the internal auditor's degree of independence from management and other employees of the finance department of the Company and its subsidiaries. The internal auditor reports to the Company's Chief Executive Officer. He is independent of the other officers of the Company. At least once a year, a meeting is held between the Committee and the internal auditor in the absence of the Company's management.
- 4.3 The Committee reviews the annual internal audit plan and suggests mandates or studies as it deems necessary.

- 4.4 The Committee reviews the internal auditor's recommendations, including management's comments, and reviews the corrective measures taken by the Company's management.

5. EXTERNAL AUDIT

- 5.1 The external auditor is independent of the Company and its directors, management and employees. He reports directly to the Committee. The Committee may, at any time, communicate directly with the external auditor. At least once a year, a meeting is held between the Committee and the external auditor in the absence of the Company's management.
- 5.2 The Committee reviews the mandate and budget regarding the external auditor's service fees and recommends their approval by the Board of Directors.
- 5.3 The Committee recommends to the Board of Directors the external auditor or auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or certification services for the Company.
- 5.4 The Committee must give prior approval to any non-audit services that the external auditor may provide to the Company and its subsidiaries, in accordance with the policy and procedures for the services of the external auditor.
- 5.5 The Committee oversees and reviews the work of the external auditor and his audit plans, service fees and audit results as well as the special mandates entrusted to him.
- 5.6 The Committee must be informed of cases where the Company's management requested the opinion of an accounting firm other than the firm appointed as external auditor on matters that would otherwise fall within the mandate of the external auditor.
- 5.7 The Committee ensures that the external auditor obtained the cooperation of the Company's employees and management. In this regard, the Committee resolves disagreements between the Company's management and the external auditor regarding financial reporting.
- 5.8 The Committee reviews the post-audit letter or letter of recommendation issued by the external auditors as well as management's reactions to them and the actions taken by management in response to observed deficiencies.
- 5.9 The Committee discusses the acceptability and quality of the Company's accounting principles with the external auditor.
- 5.10 The Committee must be satisfied that the external auditor meets the standard of satisfactory performance.

5.11 The Committee reviews questions related to the nomination of a new external auditor, when applicable.

5.12 The Committee reviews and approves the Company's hiring or retention of services policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

6. COMPLAINTS

6.1 The Committee establishes a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

6.2 The Committee establishes a procedure for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.

7. GENERAL

7.1 The Committee may, at the Company's expense, hire independent counsel and any other advisors it deems necessary to carry out its duties. The Committee may set the compensation to be paid to these individuals.

Adopted: February 24, 2005 / Modified and effective as of December 5, 2006 and November 1, 2007