

ZCL COMPOSITES INC.

INFORMATION CIRCULAR DATED March 27, 2008

For the Annual Meeting
to be held on May 9, 2008

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of ZCL Composites Inc. (the "Corporation") for use at the annual meeting of the shareholders of the Corporation (the "Meeting") to be held at The Westin Hotel, Centennial Room, 10135-100 Street, Edmonton, Alberta, on Friday, May 9, 2008 at 1:00 p.m. (Edmonton time) and at any adjournment or adjournments thereof, for the purposes set forth in the accompanying notice of meeting (the "Notice"). Except as otherwise stated, the information contained herein is given as of March 27, 2008 and reported in Canadian dollars.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The affairs of the Corporation are managed by a Board of Directors who are elected annually for a one year term at each Annual General Meeting of the shareholders and hold office until the next Annual General Meeting, or until their successors are duly elected or appointed or until a director vacates his office or is replaced in accordance with the by-laws of the Corporation. The Board of Directors has set the number of directors to be elected at the Meeting at eight (8).

The shareholders are entitled to elect the directors of the Corporation. The persons named below have been nominated for election and have consented to such nomination.

Unless authority to vote on the election of directors is withheld, it is the intention of the persons named in the accompanying instrument of proxy to vote for the election of such nominees as directors. In the event that a vacancy among the nominees occurs for any reason prior to the Meeting, the proxy shall not be voted with respect to such vacancy.

The following are the names and municipalities of residence of the proposed nominees for election as directors of the Corporation:

NAME AND MUNICIPALITY OF RESIDENCE	OFFICE	PRINCIPAL OCCUPATION	DIRECTOR SINCE	NUMBER OF COMMON SHARES HELD DIRECTLY OR INDIRECTLY ⁽⁶⁾
Venence G. Côté ⁽³⁾⁽⁴⁾ Beaumont, Alberta	President, Chief Executive Officer and Director	Mr. Côté is the Corporation's President (since April 12, 1989) and Chief Executive Officer (since October 3, 1987).	September 14, 1987	130,700 ⁽⁸⁾
The Honourable James S. Edwards, P.C. ⁽²⁾⁽³⁾⁽⁵⁾ Edmonton, Alberta	Director, Chairman of the Board	Mr. Edwards served as the Chair of the Board of The Inspections Group Inc., a private company from September 2005 to September 2007. Until June 30, 2006, Mr Edwards was the Chair of the Board of Governors for the University of Alberta. Prior to that, Mr. Edwards served as the Chair for the Strategy	August 19, 2002	14,000

		Council for the Alberta Heart Institute and as a member of the Board of Trustees for the Alberta Ingenuity Fund; prior thereto he was President and CEO of Economic Development Edmonton and from 1984 to 1993 was an Edmonton Member of Parliament wherein he was sworn to the Privy Council when he joined the Federal Cabinet as President of the Treasury Board.		
Roderick W. Graham ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta	Director, Vice Chairman of the Board	Mr. Graham is presently the Co-Founder and Managing Director of Northern Plains Capital Corporation. From October of 2004 to August of 2005 he worked in institutional sales with Peters & Company. Mr. Graham was with ARC Financial Corporation from September 1998 to September 2004 and served as Senior Vice President and Director. He currently serves on the board of Horizon North Logistics Inc. and one other private company. Mr. Graham was previously a director of the Corporation from September of 2002 to September of 2004.	December 5, 2005	900,000 ⁽⁹⁾
Harold Roozen ⁽²⁾⁽³⁾⁽⁵⁾ Edmonton, Alberta	Director	Mr. Roozen is currently the Chairman and CEO of CCI Thermal Technologies Inc. He also serves on the board of Shaw Communications Inc. He was previously Chairman of WIC Western International Communication Ltd., and President of the Allarcom Group of privately held companies.	May 15, 2007	10,000
Allan Olson ⁽¹⁾⁽³⁾⁽⁴⁾ Edmonton, Alberta	Director	Mr. Olson is the Chairman and CEO of First Industries Corporation. He also serves on the board of directors of Brookfield Properties Corporation and Carma Developers. Mr. Olson has also served on the boards of IPSCO Inc. (NYSE/TSX) from 1988 to 2007 and Summit Reit from 2000 to 2007.	May 15, 2007	12,000
David Sutherland Naperville, Illinois	Being nominated as a director	Mr. Sutherland, MBA, joined IPSCO Inc. (NYSE/TSX) in 1977 and remained there until retiring in July 2007, holding the final position of President and CEO from 2002 until 2007. He is currently on the board of GATX Corporation, a leasing company listed on the NYSE. Mr. Sutherland has held various industry association capacities including that of Chairman.	Not applicable	0
Leonard Cornez ⁽¹⁰⁾ Calgary, Alberta	Being nominated as a director	Mr. Cornez is currently an independent businessman. Most recently, Mr. Cornez was VP and CFO of Enerflex Systems Income Fund from June 2004 to April 2007. Prior to joining Enerflex, Mr. Cornez was VP Finance for Terasen Pipelines Inc. (2003 to 2004), VP and CFO of Ryan Energy Technologies (2000 to 2002), VP and CFO of	Not applicable	2,000

		Hartland Pipeline Services Ltd. (1999 to 2000) and VP and CFO of Computalog Ltd. (1991 to 1999). Prior to that, Mr. Cornez was employed by Coopers & Lybrand from 1981 to 1991. Mr. Cornez is a Chartered Accountant (Alberta) and a Certified Public Accountant (Illinois) with a BComm from the University of Calgary. Mr. Cornez currently serves on the boards of Technicoil Corporation and Alberta Oil Sands Limited.		
Gary L. Warren Houston, Texas	Being nominated as a director	Mr. Warren joined Weatherford International Ltd. in 1991 and served in various senior positions until he retired in 2005 as a Senior VP and President of the Drilling and Well Services Division, where he was responsible for operations in over 120 countries throughout the world. Mr. Warren has worked in senior positions throughout North America, Europe and Africa since 1972. He currently sits on the publicly traded boards of Newpark Resources Inc. and Horizon North Logistics Inc. and boards of other privately held companies. Mr. Warren holds a Bachelor of Science degree in Mechanical Engineering Technology from the University of Houston.	Not applicable	0

Notes:

- (1) Members of the Audit Committee. Mr. Rod Graham Chairman
- (2) Members of the Compensation Committee. Mr. Rod Graham Chairman
- (3) Members of the Environmental, Health and Safety Committee. Mr. Allan Olson Chairman
- (4) Members of the Nominating Committee. Mr. Harold Roozen Chairman
- (5) The entire board of directors also serve as Members of the Governance Committee. Mr. Jim Edwards Chairman
- (6) Information as to shares beneficially owned, directly or indirectly, or over which control or discretion is exercised, is based upon information furnished to the Corporation by the nominees.
- (7) Certain of the directors of the Corporation hold options to acquire common shares, which have not been included in determining the number of common shares held, directly or indirectly, by the directors.
- (8) Includes 42,300 common shares held by Côté Holdings Ltd., of which Mr. Côté shares voting and investment power with his spouse; and 88,400 common shares held directly. Mr. Côté has also been granted 16,500 stock options.
- (9) Mr. Graham is a director, officer and fifty percent (50%) shareholder of Northern Plains Capital Corporation which is the general partner for Northern Plains Capital Growth Fund Limited Partnership and Northern Plains Capital Growth Fund (II) Limited Partnership. The two funds collectively own 900,000 common shares or 3.4% of the issued common shares of the Corporation. In June 2006 Mr. Graham was issued 50,000 stock options which remain outstanding.
- (10) Mr. Cornez joined Hartland Pipeline Services Ltd., a public company listed on the Toronto Stock Exchange, as its Vice President Finance and Chief Financial Officer in September 1999. In December 1999, Hartland Pipeline Services Ltd. was petitioned into bankruptcy following proceedings initiated under the *Companies Creditor Arrangement Act (Canada)* in November 1999.

Unless indicated otherwise, all of the nominees have held the principal occupations set forth above for at least the past five (5) years and all disclosure on common shares and options is as of March 27, 2008.

Appointment and Remuneration of Auditors

The shareholders will be asked at the Meeting to vote for the appointment of Ernst & Young LLP, Chartered Accountants, of Edmonton, Alberta, as the auditors of the Corporation, for the ensuing year and to authorize the directors to fix their remuneration.

Unless otherwise directed, shares representing proxies in favour of management nominees will be voted in favour of the appointment of Ernst & Young LLP, Chartered Accountants, of Edmonton, Alberta, as auditors of the Corporation, to hold office until the next annual meeting of the shareholders, or until their successors are duly elected or appointed, and to authorize the board of directors to fix their remuneration.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, whether direct or indirect, by way of beneficial ownership of securities or otherwise, in any manner to be acted upon at the Meeting, of any director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation's last financial year, or of any proposed nominee for election as director of the Corporation or any associate or affiliate of any of the foregoing, other than the election of directors or the appointment of auditors, and as disclosed in the sections entitled "Management Contracts", "Interest of Informed Persons in Material Transactions" and "Particulars of Matters to be Acted Upon."

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares, of which 26,445,529 common shares of the Corporation are issued and outstanding as at the close of business on March 27, 2008, and each such common share carries the right to one vote on a ballot at the Meeting. On a show of hands every person who is present and entitled to vote shall have one vote for each common share held. The Corporation has no other classes of voting securities.

The shareholders of the Corporation of record at the close of business on the record date, set by the directors of the Corporation to be April 3, 2008, are entitled to vote their common shares at the Meeting on the basis of one vote for each common share held, except to the extent that:

- (a) such person transfers his shares after the record date; and
- (b) the transferee of those shares produces properly endorsed share certificates or otherwise establishes his ownership to the shares and makes a demand to the Registrar and Transfer Agent of the Corporation, not later than 10 days before the Meeting, that his name be included on the shareholders' list.

Set out below are the names of all persons or companies who, to the knowledge of the directors or senior officers of the Corporation, beneficially own, directly or indirectly, or exercise control or discretion over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding voting securities of the Corporation:

Name	Type of Ownership	Number of Shares Beneficially Owned, Directly or Indirectly, Controlled or Directed	Percentage of Outstanding Voting Securities
Bissett Asset Management	Beneficial	3,570,210	13.5%
Mawer Investment Management Ltd.	Beneficial	2,653,488	10.0%

As a group, as at March 27, 2008, the directors and executive officers owned, directly or indirectly, or exercised control or discretion over an aggregate of 1,451,056 (approximately 5.5% of the total outstanding) common shares as at the date hereof. The directors and executive officers of the Corporation own beneficially (directly or indirectly) or exercise control or discretion over 205,667 options for common shares or 80.4% of the issued and outstanding options for common shares under the stock option plan. If all of such noted options were exercised,

assuming no other changes respecting the Corporation's common shares, the directors and executive officers of the Corporation, as a group, would own beneficially (directly or indirectly) or exercise control or discretion over an aggregate of 1,656,723 common shares or 6.3% of the issued and outstanding common shares. The information as to common shares owned indirectly or over which control or discretion is exercised by the directors and executive officers, but, which are not registered in their names, not being within the knowledge of the Corporation, has been furnished by such directors and executive officers.

As at March 27, 2008, CDS & Co. was the registered owner of 24,757,727 common shares, which represents approximately 93.6% of the issued and outstanding common shares of the Corporation. The directors and officers of the Corporation understand that CDS & Co. is a nominee and not a beneficial owner of common shares. Except as otherwise set out in this Information Circular, the directors and officers of the Corporation are not aware that any person on whose behalf such shares are beneficially held owns or exercises control or direction over more than 10% of the outstanding common shares.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation for the three (3) most recently completed financial years (to the extent required by the applicable securities legislation) in respect of the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the next three most highly compensated employees whose salary and bonus exceeded \$150,000 (the "Named Executive Officers"):

Name and Principal Position	Year ⁽¹⁾	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation ⁽⁴⁾ (\$)	Awards	Payouts		
					Securities Under Options/SARs Granted (#)	Shares Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
Venence G. Côté President and CEO	2007	250,000	154,000	N/A	16,500	N/A	N/A	N/A
	2006 ⁽²⁾	168,750	118,125	N/A	N/A	N/A	N/A	N/A
	2006 ⁽³⁾	212,577	118,125	N/A	N/A	N/A	N/A	N/A
	2005	200,000	112,000	N/A	N/A	N/A	N/A	N/A
Darin Coutu ⁽⁵⁾ CFO	2007	33,654	20,000	N/A	11,400	N/A	N/A	1,077
Bernie Lafferty ⁽⁶⁾ Vice-President Finance	2007	138,462	49,500	N/A	7,000	N/A	N/A	5,654
	2006 ⁽²⁾	101,250	40,500	N/A	N/A	N/A	N/A	2,638
	2006 ⁽³⁾	44,230	21,477	N/A	110,500 ⁽⁷⁾	N/A	N/A	N/A
Ron Bachmeier ⁽⁸⁾ Chief Operating Officer	2007	153,981	105,196	N/A	9,500	N/A	N/A	6,136
Ronald J. Fink ⁽⁹⁾ Executive Vice- President	2007	144,616	48,480	N/A	9,500	N/A	N/A	5,877
	2006 ⁽²⁾	105,000	36,750	N/A	N/A	N/A	N/A	2,369
	2006 ⁽³⁾	135,000	53,970	N/A	N/A	N/A	N/A	N/A
	2005	125,920	26,390	N/A	125,000 ⁽¹⁰⁾	N/A	N/A	N/A

Notes:

- (1) The Corporation's latest financial year end is the twelve (12) months ended December 31, 2007.
- (2) Information related to the Corporation's financial year ended December 31, 2006 (a 9 month period).
- (3) Information related to the Corporation's financial year ended March 31, 2006 (a 12 month period).
- (4) The Named Executive Officers received non-cash compensation including group insurance benefits, perquisites, automobile allowances and club dues which were not greater than the lesser of \$50,000 or 10% of the total annual salary and benefit paid to the named executive officers.

- (5) Mr. Coutu commenced work with the Corporation on October 15, 2007.
- (6) Mr. Lafferty commenced work with the Corporation on November 14, 2005. Mr. Lafferty was the Corporation's CFO from November 14, 2005 until October 15, 2007.
- (7) Mr. Lafferty received 100,000 Options and 10,500 Warrants in the financial year ended March 31, 2006.
- (8) Mr. Bachmeier joined the Corporation on February 22, 2007. Mr. Bachmeier was Chief Operating Officer of Xerxes Corporation from the date of acquisition until he was promoted to Chief Operating Officer of the Corporation in February 2008. The amounts paid to Mr. Bachmeier are denominated in U.S. dollars.
- (9) Mr. Fink was the Corporation's Vice-President of Operations and Marketing until he was promoted to Executive Vice-President in February 2008.
- (10) Mr. Fink received 50,000 Options and 75,000 Warrants in 2005.

Long Term Incentive Plan ("LTIP") – Awards in Most Recently Completed Financial Year

Named Executive Officer	Securities, Units or Other Rights (#)	Performance or Other Period Until Maturation or Payout	Estimated Future Payouts Under Non-Securities-Price-Based Plans		
			Threshold (\$ or #)	Target (\$ or #)	Maximum (\$ or #)
Venence G. Côté	6,600 ⁽¹⁾	See note ⁽¹⁾	N/A	N/A	N/A
Darin Coutu	4,560 ⁽¹⁾	See note ⁽¹⁾	N/A	N/A	N/A
Ron Bachmeier	4,000 ⁽¹⁾	See note ⁽¹⁾	N/A	N/A	N/A
Ronald J. Fink	4,000 ⁽¹⁾	See note ⁽¹⁾	N/A	N/A	N/A

Note:

- (1) On December 3, 2007 the individuals were granted Restricted Share Units ("RSUs") that are subject to two vesting conditions. The first condition is the achievement of a specified return on capital employed ratio for the year ending December 31, 2008. If the first condition is met, the RSUs then vest on the fifth anniversary from the date of grant. Upon achievement of both vesting conditions, the RSUs will be settled in cash at an amount equal to fair market value of the Corporation's common shares multiplied by the number of units granted. If either vesting condition is not met, the RSUs are forfeited.

Options/SARs Grants during the Most Recently Completed Financial Year

Named Executive Officer		Securities Under Options/SARs Granted (#)	Percent of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Venence G. Côté	Options ⁽¹⁾	16,500	44.1% ⁽³⁾	10.14	10.14	Dec. 3, 2012
Darin Coutu	Options ⁽¹⁾	11,400	30.5% ⁽³⁾	10.14	10.14	Dec. 3, 2012
Bernie Lafferty	SARs ⁽²⁾	7,000	3.0% ⁽⁴⁾	10.14	10.14	Dec. 15, 2011
Ron Bachmeier	SARs ⁽²⁾	9,500	4.1% ⁽⁴⁾	10.14	10.14	Dec. 15, 2011
Ronald J. Fink	Options ⁽¹⁾	9,500	25.4% ⁽³⁾	10.14	10.14	Dec. 3, 2012

Notes:

- (1) The options were granted on December 3, 2007 and vest over a three year period, have an exercise price of \$10.14 and expire five years from the date of grant.
- (2) The stock appreciation rights ("SARs") were granted on December 3, 2007 and vest over a three year period, have an exercise price of \$10.14 and expire a year from the date of vesting. The SARs will be settled in cash at an amount equal to fair market value of the Corporation's common shares at the date of exercise less \$10.14, multiplied by the number of units exercised.
- (3) The percentage reflects the percentage of the total number of stock options granted in 2007.
- (4) The percentage reflects the percentage of the total number of SARs granted in 2007.

Aggregated Options/SARs Exercised During the Most Recently Completed Financial Year and Financial Year End Options/SARs Values

Named Executive Officer	Securities Acquired on Exercise	Aggregate Value Realized (\$)	Unexercised Options/SARs at Financial Year End (#) Exercisable/Unexercisable	Value of Unexercised in-the-Money Options/SARs at Financial Year End (\$) Exercisable/Unexercisable ⁽¹⁾
Venence G. Côté	250,000 ⁽²⁾	\$2,874,500	16,500/Nil	10,890/Nil
Darin Coutu	N/A	N/A	Nil/11,400	Nil/7,524
Bernie Lafferty	N/A	N/A	33,333/33,334	263,331/263,339
Ron Bachmeier	N/A	N/A	Nil/9,500	Nil/6,270
Ronald J. Fink	75,000 ⁽³⁾	\$978,750	50,000/9,500	\$470,000/6,270

Notes:

- (1) Based on the closing price of the Corporation's common shares on the Toronto Stock Exchange on December 31, 2007 was \$10.80 less the exercise price.
- (2) Reflects the exercise of 200,000 Warrants and 50,000 Options.
- (3) Reflects the exercise of warrants.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation has entered into employment contracts with the Named Executive Officers as at the date hereof, those being Venence G. Côté, President and Chief Executive Officer, Darin Coutu, Chief Financial Officer, Bernie Lafferty, Vice-President Finance and Ronald J. Fink, Executive Vice-President. The amount of compensation that Messrs. Côté, Lafferty, Coutu and Fink have received is noted in the "Summary Compensation Table" in this Information Circular.

Mr. Côté entered into a three (3) year written employment agreement effective September 27, 2002 that automatically renews on a yearly basis thereafter. Pursuant to the agreement, Mr. Côté is entitled to receive incentive compensation, in each of the Corporation's fiscal years, commencing with the fiscal year ending March 31, 2002. The receipt of such incentive compensation is based upon certain financial performance criteria of the Corporation and the discretion of the Board of Directors. The agreement provides that, in the event of his employment being terminated for any reason other than primarily just cause or employee notice, he shall receive severance compensation equal to two (2) years' base salary.

Mr. Coutu entered into a three year (3) written employment agreement effective October 15, 2007 that automatically renews on a yearly basis thereafter. Pursuant to the agreement, Mr. Coutu is entitled to receive incentive compensation, in each of the Corporation's fiscal years, commencing with the fiscal year ending December 31, 2007. The receipt of such incentive compensation is based upon certain financial performance criteria of the Corporation and the discretion of the Board of Directors. Mr. Coutu's employment agreement provides that, in the event of his employment being terminated for any reason other than primarily just cause or employee notice, he shall receive severance compensation equal to one years' base salary.

Mr. Lafferty entered into a one year (1) written employment agreement effective November 14, 2005 that automatically renews on a yearly basis thereafter. Pursuant to the agreement, Mr. Lafferty is entitled to receive incentive compensation, in each of the Corporation's fiscal years, commencing with the fiscal year ending March 31, 2006. The receipt of such incentive compensation is based upon certain financial performance criteria of the Corporation and the discretion of the Board of Directors. Mr. Lafferty's employment agreement provides that, in the event of his employment being terminated for any reason other than primarily just cause or employee notice, he shall receive severance compensation equal to one years' base salary.

Mr. Fink entered into a three (3) year written employment agreement effective September 27, 2002 that automatically renews on a yearly basis thereafter. Pursuant to this agreement, Mr. Fink is entitled to receive incentive compensation, in each of the Corporation's fiscal years, commencing the first fiscal year ending March 31, 2003. The receipt of such incentive compensation is based upon certain financial performance criteria of the Corporation and the discretion of the Board of Directors. Mr. Fink's employment agreement provides that, in the

event of his employment being terminated for any reason other than primarily just cause or employee notice, he shall receive severance compensation equal to a one year base salary.

Composition of the Compensation Committee

The Corporation's Compensation Committee is comprised of the following three (3) directors who are neither officers nor employees of the Corporation or any of its subsidiaries: Mr. James S. Edwards, Mr. Harold Roozen and Mr. Roderick W. Graham. Mr. Roozen has a relationship with the Corporation which is described herein under the section "Interest of Informed Persons in Material Transactions". Mr. Roozen was appointed to the committee on May 15, 2007. Mr. Simon P. Sochatsky was a member of the committee until May 15, 2007 and had a relationship with the Corporation as described in "Interest of Informed Persons in Material Transactions".

Report on Executive Compensation

The purpose of the Corporation's executive compensation policy is to attract and retain individuals of high calibre to serve as executive officers and employees of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objective, and to align the interests of executive officers and employees with the long-term interests of the Corporation's shareholders. The Corporation's primary policy is to pay for performance and, accordingly, performance of the Corporation and of the President as an individual is examined by the Board.

The executive compensation policy outlined below was established by the Board and in effect for fiscal 2007. In December 2007, the Board adopted a new compensation program for the Corporation and its subsidiaries primarily for 2008 and beyond (see "Compensation Program" below):

1. Compensation shall be provided in three basic forms (i) base salaries and incentive compensation; (ii) stock options, SARs, and RSUs and (iii) employee benefits. Compensation being structured in this manner motivates the executive officers to focus on, and rewards the executive officers in respect of, the short, medium and long term financial performance of the Corporation. See "Stock Option Plan" and "Compensation Program" below for further information.
2. The amount and terms of existing options, SARs and RSUs held by an executive officer is a very relevant in considering whether an executive officer should be granted further options, SARs or RSUs.
3. The payment of incentive compensation to executive officers is strongly tied to the positive financial performance of the Corporation. The significant majority of incentive compensation paid to executive officers is calculated and based upon quantitative, objective measures. Whereas, a smaller component of the incentive compensation paid is based upon qualitative factors. An executive officer's ability to firstly have vested and thereafter exercise options and SARs is based on remaining employed with the Corporation for a specified period of time and the performance of the Corporation's stock price on the Toronto Stock Exchange. For RSUs, an executive officer's ability to access the benefit is based, first on achieving certain financial performance targets and second, remaining with the Corporation for a specified period of time.
4. The Chief Executive Officer's compensation for the fiscal year ended December 31, 2007 was paid in accordance with the factors and criteria set out in Mr. Côté's employment agreement. The Compensation Committee reviewed and adjusted the Chief Executive Officer's base salary during the fiscal year ended December 31, 2007 in the manner contemplated by the employment agreement. The Compensation Committee obtained information and data in respect of the competitive salaries and bonuses paid to other Chief Executive Officers for other Canadian manufacturing and distribution companies. In excess of 85% of the incentive compensation paid to the Chief Executive Officer for the fiscal year ended December 31, 2007 is based upon strictly quantitative measures such as the Corporation's gross revenues and net income before taxes.

Submitted by the Compensation Committee - Mr. James S. Edwards, Mr. Harold Roozen and Mr. Roderick W. Graham.

Compensation Program

In December 2007, the Corporation introduced a comprehensive compensation program across all of its business units and subsidiaries, incorporating both existing and new compensation elements. The program was designed to provide goal congruence between the compensation program and the Corporation's strategic plan and budget. The program includes short term, medium term and long term incentives. It was also designed to be competitive within the Corporation's industry and geographic locations. The program will be reviewed each year by the Board of Directors in conjunction with the Corporation's budget cycle and all corporate performance targets, goals and vesting criteria will be approved annually by the Board.

The short term components of the program include base pay, vacation, benefits, overtime and an annual bonus program. Employees that directly affect the results of the organization participate in an annual bonus program that requires the achievement of corporate, business unit and personal goals. The weighting of each goal is determined separately and payments under the annual bonus program are tied to the achievement of specific growth targets, budgets and the strategic plan. Medium term incentives include a retirement savings plan and variable pay (i.e. bonus). The main purpose of the medium term incentives is to promote goal congruency between the pursuit of strategic initiatives and the meeting of short term business plans (budgets). It is also intended to serve as an effective retention program to insure the continuity of employment. Long term incentives include stock options, stock appreciation rights and restricted share units. The main purpose of the long term incentives is to promote goal congruency with long term business plans and shareholder interests. The long term incentives also serve as retention programs for key employees.

Other Compensation

Other than as set forth above, the Corporation did not pay any additional compensation to the Named Executive Officer or Directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the most recently completed financial year of the Corporation.

COMPENSATION OF DIRECTORS

Until May 15, 2007, cash remuneration paid to the non-management directors of the Corporation in their capacity as directors during the fiscal year ended December 31, 2007 was based on an annual retainer of \$10,000. The Chair of the Board received an additional retainer of \$5,000. Effective May 15, 2007, the Corporation approved and adopted a new policy with respect to the compensation of non-management board members.

- Annual retainers for the Chair of the Board of \$30,000 and \$20,000 for each other board member. In addition to the above a retainer shall be paid to: the Chair of the Audit Committee of \$7,500 and the Chair of each other committee as established by the Board of \$5,000.
- Meeting fees shall be paid to the Chair of the Board at a rate of \$2,500 per meeting of the Board of Director's attended and to each attending board member at the rate of \$1,000 per meeting attended. Meetings shall include all scheduled board meetings, the annual general meeting, strategic planning meetings and budget review meetings.
- Meeting fees shall be paid to each member of a Committee of the Board of Director's at a rate of \$1,000 per meeting attended.
- Out of pocket expenses incurred by a board or committee member on behalf of the Corporation shall be reimbursed at cost.

During the most recently completed fiscal year, the Corporation paid the following compensation to the directors for their services as directors:

Director	Total Compensation
Venence G. Côté ⁽³⁾	N/A
James S. Edwards	\$42,000
Fred J. Dymnt	\$24,938
Simon Sochatsky ⁽¹⁾	\$11,654
Harold Roozen ⁽²⁾	\$21,625
Allan Olson ⁽²⁾	\$21,625
Roderick W. Graham	\$26,375

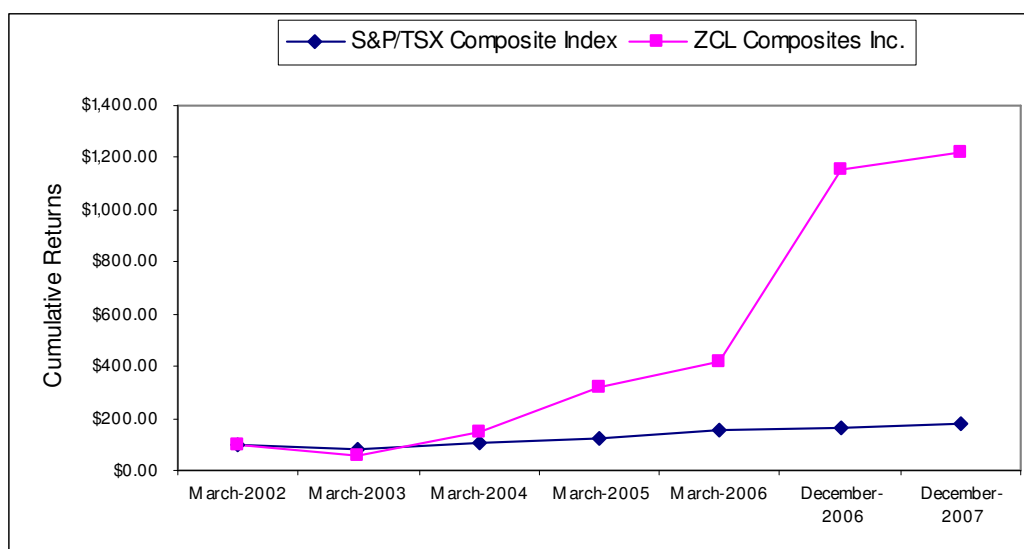
Notes:

- (1) Resigned from the board September 18, 2007.
- (2) Joined the board May 15, 2007.
- (3) Mr. Côté is the Corporation's President and CEO and is therefore not eligible for compensation as a director under the Corporation's compensation program for directors.

PERFORMANCE GRAPH

The following performance graph compares the yearly percentage change in the cumulative total shareholder return for \$100 invested in the Corporation's common shares for the period March 31, 2002 to December 31, 2007, compared to the cumulative total shareholder return for the S&P/TSX Composite Index for the same period, assuming the reinvestment of dividends. Returns are based upon the closing values on the last day of trading in each month.

	Mar 2002	Mar 2003	Mar 2004	Mar 2005	Mar 2006	Dec 2006	Dec 2007
S&P/TSX Composite Index	100	81	109	122	154	164	176
ZCL Composites Inc.	100	59	144	322	416	1,158	1220



SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information in respect of compensation plans under which equity securities of the Corporation are authorized for issuance for the Corporation's financial year ended December 31, 2007.

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 security holders	254,068	\$3.70	2,390,485 ⁽¹⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total:	254,068		2,390,485 ⁽¹⁾

Note:

- (1) The Corporation can grant no more options than equal to 10% of the issued and outstanding shares of the Corporation on a non-diluted basis under its stock option plan.

Stock Option Plan

A new stock option plan was approved, ratified and confirmed by the Shareholders on August 9, 2006 (the "2006 Plan"). The maximum number of options that may be granted pursuant to the 2006 Plan shall not exceed ten percent (10%) of the issued and outstanding shares of the Corporation on a non-diluted basis. All existing options under the previous 1996 Plan were deemed to be issued under the 2006 Plan on the same terms and conditions.

The other highlights of the 2006 Plan are as follows:

1. Options may be granted to Directors, employees, management company employees and consultants.
2. The exercise price of options granted shall be determined by the Board of Directors in accordance with the policies of the TSX, but in any event shall not be less than the closing market price of the common shares on the last trading day preceding the grant. Further, the exercise price of an option previously granted may be reduced by Board approval; provided that, the exercise price of an option granted to an insider may only be reduced if disinterested shareholder approval is obtained and the exercise price may never be lower than the closing market price of the common shares on the last trading day preceding the grant.
3. The following restrictions apply to the reservation of common shares pursuant to options:
 - (i) the aggregate number of common shares reserved for issuance pursuant to options granted to any one person, at any time, under all security based compensation arrangements, may not exceed 5% of the issued and outstanding common shares on a non-diluted basis; and
 - (ii) the number of common shares reserved for issuance pursuant to options granted to insiders, at any time, under all security based compensation arrangements, may not exceed 10% of the issued and outstanding common shares on a non-diluted basis.
4. The following restrictions apply to the issuance of common shares pursuant to the exercise of options:
 - (i) the number of common shares issued to insiders pursuant to the exercise of options within a one-year period, under all security based compensation arrangements, may not exceed 10% of the issued and outstanding common shares on a non-diluted basis: and

(ii) the number of common shares issued to any one insider and such insider's associates, within a one-year period, under all security based compensation arrangements, may not exceed 5% of the issued and outstanding common shares on a non-diluted basis.

5. The Board of Directors may determine the term of the options, but the term shall in no event be greater than five (5) years from the date of issuance.

6. Terms of vesting of the options, the eligibility of Directors, officers, employees, management company employees and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the Board of Directors, subject to the policies of the TSX.

7. Generally, the options expire 90 days from the date on which a participant ceases to be a director, officer, employee, management company employee or consultant of the Corporation. However, if an employee is terminated for cause, then the options held by such employee may not be exercised following the date of such termination. Further, in the discretion of the Corporation, if a participant ceases to be a participant other than by reason of termination for cause or death:

(i) the exercise period may be extended for a maximum term expiring the earlier of the expiry of the option period and one year from the date of ceasing to be a participant, in the case of Directors, service providers and members of management that are not employed by the Corporation and any of its subsidiaries; and

(ii) the exercise period may be extended for a maximum term expiring the earlier of the expiry of the option period and three years from the date of ceasing to be a participant, in the case of employees and eligible members of management that are employed by the Corporation and any of its subsidiaries.

8. Subject to the consent of the Board, options granted pursuant to the 2006 Plan shall be personal to the Optionee and shall not be assignable or otherwise transferable except: (i) to a "permitted assign" as that term is defined in National Instrument 45-106 (Prospectus and Registration Exemptions) as the same may be amended, supplemented and/or replaced from time to time; or (ii) by will or the laws of descent and distribution.

9. The 2006 Plan allows the Board to authorize the Corporation, from time to time, to loan money to an optionee to exercise the options held by him; however, the Corporation has not granted such financial assistance in the past.

10. The 2006 Plan is subject to the rules of the TSX and of any other stock exchange or exchange facility through which the common shares may at any time be traded and/or posted (the "Rules"). To the extent that any provision of the 2006 Plan conflicts with any such Rules, such Rules shall govern and this 2006 Plan shall be deemed to be amended to be consistent therewith.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Management of the Corporation is not aware of any indebtedness outstanding to the Corporation by the directors, executive officers and employees or former directors, executive officers and employees of the Corporation as at the fiscal year ended December 31, 2007.

DIRECTORS AND OFFICERS INSURANCE

The Corporation carries on its own behalf a directors and officers' liability insurance policy. This policy has a coverage limit of \$30,000,000. The annual premium paid by the Corporation in the last completed fiscal year in respect of its directors and officers' liability insurance as a group was \$74,120 covering the period June 30, 2007 to June 30, 2008.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interests, direct or indirect, of any informed person of the Corporation, any proposed director of the Corporation or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation's most recently completed financial year (i.e. 12 months ended December 31, 2007) or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, except as outlined below. The Northern Industrial Carrier Group of Companies (which are controlled by Mr. Sochatsky who was a director until September 18, 2007) were paid \$285,000 by the Corporation for trucking services that were supplied to the Corporation at normal commercial rates. In addition, CCI Thermal Technologies Inc. of which Mr. Roozen is the Chairman and CEO was paid \$103,000 in 2007 for certain manufacturing components that were supplied at normal commercial rates (\$53,000 since becoming a director on May 15, 2007). Mr. Leonard Cornez, a proposed director, provided management consulting services to the Corporation through LAHC Enterprises Inc. The total amount paid to LAHC Enterprises Inc. by the Corporation in 2007 was \$30,000.

CORPORATE GOVERNANCE MATTERS

Schedule "A" to this Information Circular contains a statement of the Corporation's existing corporate governance practices in accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101").

MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by directors or senior officers of the Corporation and have not been performed, to any substantial degree, by any other person with whom the Corporation has contracted.

AUDIT COMMITTEE

Certain information regarding the Corporation's Audit Committee is contained in the Corporation's Annual Information Form dated March 17, 2008 which is filed on SEDAR at www.sedar.com. A copy of the Audit Committee Charter is also attached to the Annual Information Form as Schedule A.

PROXY INFORMATION

General

Instruments of proxy must be addressed to the Secretary of the Corporation and reach Olympia Trust Company, 2300, 125-9th Avenue S.E., Calgary, Alberta, T2G 0P6, Attention: Proxy Department, not later than 48 hours before the time for the holding of the Meeting or any adjournment thereof. Only shareholders of the Corporation of record at the close of business on April 3, 2008 are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers its shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that it owns such shares, requests at any time prior to the Meeting that the transferee's name be included in the list of shareholders entitled to vote, in which case, such transferee is entitled to vote such shares at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a company, under its corporate seal or by an officer or attorney thereof duly authorized.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE DIRECTORS OR OFFICERS OF THE CORPORATION. A SHAREHOLDER SUBMITTING THE PROXY HAS THE RIGHT TO APPOINT A PERSON TO ATTEND THE MEETING AS THE SHAREHOLDER'S REPRESENTATIVE (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) OTHER THAN THE PERSON DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE SUCH RIGHT, THE NAMES OF THE PERSONS DESIGNATED BY MANAGEMENT SHOULD BE CROSSED OUT AND THE NAME OF THE SHAREHOLDER'S APPOINTEE SHOULD BE LEGIBLY PRINTED IN THE BLANK SPACE PROVIDED.

Revocability of Proxy

A shareholder or intermediary who has submitted a proxy may revoke it at any time prior to the exercise thereof by:

1. depositing an instrument in writing executed by him or by his attorney authorized in writing:
 - (a) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or an adjournment of the Meeting, at which time the proxy is used; or
 - (b) with the chairman of the Meeting on the day of the Meeting or an adjournment of the Meeting; or
2. in any other manner permitted by law.

Persons Making the Solicitation

THE SOLICITATION IS MADE ON BEHALF OF THE MANAGEMENT OF THE CORPORATION. The costs incurred in the preparation and mailing of the Form of Proxy, the Notice and this Information Circular will be paid by the Corporation. In addition to the mailing of these materials, proxies may be solicited by personal interviews, telephone or e-mail by directors and officers of the Corporation, who will not be remunerated therefor. All costs associated with the solicitation of proxies by management of the Corporation will be borne by the Corporation.

Exercise of Discretion by Proxy

The shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and where the shareholder specifies the choice with respect to any matter to be acted upon, the shares shall be voted on any ballot in accordance with the specification so made.

IN THE ABSENCE OF SUCH SPECIFICATION, SHARES WILL BE VOTED IN FAVOUR OF THE PROPOSED RESOLUTION. THE PERSONS APPOINTED UNDER THE FORM OF PROXY FURNISHED BY THE CORPORATION ARE CONFERRED WITH DISCRETIONARY AUTHORITY WITH RESPECT TO AMENDMENTS OR VARIATIONS OF THOSE MATTERS SPECIFIED IN THE PROXY AND NOTICE OF THE SPECIAL AND ANNUAL GENERAL MEETING. AT THE TIME OF MAILING OF THIS INFORMATION CIRCULAR, MANAGEMENT OF THE CORPORATION KNOWS OF NO SUCH AMENDMENT, VARIATION, OR OTHER MATTER.

VOTING OF SHARES - ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders hold their shares through intermediaries such as brokers and their agents or nominees and not in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered under the name of the shareholder on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent or nominee of that broker. Common shares held by brokers or their agents or nominees can only be voted for, or withheld from voting, or voted against any resolution upon the instructions of the beneficial shareholders. Without specific instructions, brokers, their agents or nominees are prohibited from voting common shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a beneficial shareholder by its broker (or agent or nominee thereof) is identical to the form of the proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial

shareholder. **A beneficial shareholder receiving a proxy from an intermediary cannot use that proxy to vote common shares directly at the Meeting, rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the common shares voted. A beneficial shareholder may however request the intermediary to appoint the beneficial shareholder as a nominee of it's as a proxyholder. A beneficial shareholder should contact the intermediary, broker or agents and nominees thereof, should it have any questions respecting the voting of the common shares.**

Voting by Non-Registered Shareholders

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares owned by a person (a "non-registered holder") are registered either (a) in the name of an intermediary (an "Intermediary") that the non-registered holder deal with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as the Canadian Depository of Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 Communication with Beneficial Owners of securities of a Reporting Issuer, the Corporation has distributed copies of the Information Circular and the accompanying Notice of Meeting together with the form of proxy and the Annual Audited Financial Statements (collectively the "Meeting Material") to the clearing agencies and Intermediaries for onward distribution to non-registered holders of common shares.

Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under "Appointment Proxies"; or
- (b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "Voting Instruction Form") which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions, which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of common shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided. **Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on the Corporation's website at www.zcl.com or on SEDAR at www.sedar.com. Security holders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis as follows: **ZCL Composites Inc., 6907-36 Street, Edmonton, Alberta, T6B 2Z6**. Financial information is provided in the Corporation's comparative consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2007.

SCHEDULE "A"
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

	Disclosure Requirement	Corporate Governance Practices of ZCL Composites Inc.
1.	Board of Directors	
(a)	Disclose the identity of directors who are independent.	James S. Edwards, Fred J. Dymont, Roderick W. Graham, Harold Roozen and Allan Olson are considered independent, within the meaning of section 1.4 of multilateral instrument 52-110 (Audit Committees) ("MI52-110"), and none of them has had any relation that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of his independent judgment.
(b)	Disclose the identity of directors who are not independent, and describe the basis for that determination.	Mr. Venence G. Côté is not considered independent in that he is the President and Chief Executive Officer of the Corporation.
(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 does to facilitate its exercise of independent judgment in carrying out its responsibilities.	A majority of the 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.	The existing and proposed directors are also directors of the reporting issuers set beside their respective names below. Fred J. Dymont: ARC Energy Trust, Tesco Corporation, Transglobe Energy Corporation and WesternZagros Resources Ltd. Roderick Graham: Horizon North Logistics Inc. Harold Roozen: Shaw Communications Inc. Allan Olson: Brookfield Properties Corporation David Sutherland: GATX Corporation Leonard Cornez: Technicoil Corporation and Alberta Oil Sands Limited Gary Warren: Newpark Resources Inc. and Horizon North Logistics Inc.
(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.	The independent directors regularly hold "in camera" sessions in the absence of members of management. Such "in camera" sessions are generally held at the end of regularly scheduled meetings of the Board of Directors of the Corporation (the "Board"). The number of Board meetings held during the fiscal year 2007 is disclosed below.
(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	Mr. James S. Edwards, the Chair of the Board is an independent director. The role of the Chairman is to provide independent leadership to the Board to promote the effective and efficient discharge by the Board of its duties and responsibilities. Mr. Edwards chairs all meetings of the Board by calling them to order, mediating all discussions during such meeting and ensuring that the agenda items are

	independent, describe what the board does to provide leadership for its independent directors.	appropriately and completely covered. He also takes responsibility for ensuring that all Board members continue to be advised of all upcoming meetings.																								
(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.	<p>The attendance of the directors at meetings of the Board (and committees thereof) held during fiscal year 2007 is summarized below:</p> <table border="1"> <thead> <tr> <th></th> <th>Committee Meetings Attended</th> <th>Board Meetings Attended</th> </tr> </thead> <tbody> <tr> <td>Venence G. Côté</td> <td>9/9</td> <td>11/11</td> </tr> <tr> <td>James S. Edwards</td> <td>6/6</td> <td>11/11</td> </tr> <tr> <td>Fred J. Dymnt</td> <td>5/5</td> <td>9/11</td> </tr> <tr> <td>Roderick W. Graham</td> <td>8/9</td> <td>10/10</td> </tr> <tr> <td>Simon Sochatsky</td> <td>0/0</td> <td>7/7</td> </tr> <tr> <td>Harold Roozen</td> <td>2/2</td> <td>4/5</td> </tr> <tr> <td>Allan Olson</td> <td>2/2</td> <td>5/5</td> </tr> </tbody> </table> <p>*The Governance Committee is the full Board and as such this committee's meetings are not included in the "Committee Meetings Attended" disclosure.</p>		Committee Meetings Attended	Board Meetings Attended	Venence G. Côté	9/9	11/11	James S. Edwards	6/6	11/11	Fred J. Dymnt	5/5	9/11	Roderick W. Graham	8/9	10/10	Simon Sochatsky	0/0	7/7	Harold Roozen	2/2	4/5	Allan Olson	2/2	5/5
	Committee Meetings Attended	Board Meetings Attended																								
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Allan Olson	2/2	5/5																								
2.	Board Mandate																									
(a)	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.	The Board delineates its roles and responsibilities through the ongoing discussions and communication with one another as to each member's respective role and responsibility, the use of committee structures and the relatively small size of the Board allowing for clear and effective communication between all Board members.																								
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.	While the Board has not developed a written position description for the Chair of each Board committee, the Board has successfully delineated the roles and responsibilities of each such position given the ongoing discussions and communications that occur with respect to each member's respective role and responsibilities and the relatively small size of the Board which allows for clear and effective communication between all Board members.																								
(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.	The Board has established a written position description for the CEO, which forms an integral part of his employment contract, which is reviewed and evaluated annually.																								
4.	Orientation and Continuing Education																									
(a)	<p>Briefly describe what measures the board takes to orient new directors regarding:</p> <ul style="list-style-type: none"> (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business 	Senior management along with certain directors provides orientation to new directors. New directors are provided with background information, which includes background information on the Corporation and its operating subsidiaries, financial information, details of the Corporation's policies and procedures and information concerning the organizational and legal structures of the Corporation. New directors are also provided an opportunity to visit the various operations of the Corporation to familiarize themselves with the Corporation's																								

		operations and personnel.
(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.	Directors are provided with a quarterly reporting package that provides a comprehensive review of the Corporation's financial operating results and conditions. At regularly scheduled meetings, the Board receives and discusses reports concerning the operations and financial results of the Corporation and its operating subsidiaries. Directors are also provided with and encouraged to review newsletters, professional publications and other publications relating to the Corporation's business and the role of directors, including committee functions. Directors are encouraged to, and some do indeed, attend seminars and lectures relevant to the roles of directors and committee members. Board members who attend such seminars and lectures and read current publications on legislation and governance issues share their respective knowledge with other Board members. Operation's management are periodically invited to attend meetings of the Directors and the Directors visit operations' locations on occasion to maintain and improve the Director's knowledge of the Corporation's business.
5.	Ethical Business Conduct	
(a)	<p>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:</p> <ul style="list-style-type: none"> (i) disclose how a person or company may obtain a copy of the code; (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 regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code. 	The Board approved a written Code of Conduct (the "Code") dated October 1, 2007 and this document is filed on SEDAR at www.sedar.com . A copy of this document can be obtained from SEDAR or directly from the Human Resource department of the Corporation. The Code provides a process by which actual or potential violations of its provisions are to be reported (on a confidential basis) to the CFO or the Chair of the Governance Committee. The Corporation also employs a Whistleblower policy which enables a person to advise the CFO or the President directly about such situations. There have been no instances where any employee, officer or director has departed from this policy.
(b)	Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	Directors who have, or may be reasonably perceived to have, a personal interest in a transaction or agreement being contemplated by or involving the Corporation, are required to declare such interest at any meeting of the Board at which the matter is considered and to refrain from voting upon such matter. If required, an independent committee may be formed to consider such matters in the absence of interested directors and make recommendations to the Board.
(c)	Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board and the Chairman are always careful to ensure that the business of the Board and the Corporation is conducted in an ethical manner. The Audit Committee and the Corporation implemented a Reporting Procedure re: Accounting and Auditing Matters on August 17, 2004 (i.e. a "whistle blower policy"). The Board and the Corporation also adopted a Corporate Disclosure Policy in December of 2007 (replacing the November 2004 policy) to promote consistent disclosure practices and to ensure that insiders and employees of the

		Corporation do not trade securities at inappropriate times.
6.	Nomination of Directors	
(a)	Describe the process by which the board identifies new candidates for board nomination.	The Governance Committee acts as a nominating committee to consider if and when new individuals are to be proposed for election/appointment to the Board, having regard to the competency, skills and personal qualities that candidates and existing members of the Board possess.
(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 Board has a Governance Committee currently composed of six (6) directors, all but one of whom are independent within the meaning of MI52-110.
(c)	If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	See disclosure in respect of 6(a) above.
7.	Compensation	
(a)	Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Compensation Committee, in conjunction with the Board, periodically reviews the base salary and other compensation of the Corporation's Chief Executive Officer, keeps itself apprised of non-CEO officer compensation and provides the Chief Executive Officer (who is responsible for establishing the terms of employment of officers, other than himself) of such advice and direction as may be solicited by the Chief Executive Officer whereas the Compensation Committee may consider it appropriate in relation to non-CEO officer compensation.
(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 Board has a Compensation Committee currently composed entirely of directors who are independent, within the meaning of section 1.4 of MI52-110.
(c)	If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The Compensation Committee has responsibility for: <ul style="list-style-type: none"> (i) annually reviewing the compensation policies and guidelines for the Corporation and, if the Compensation Committee considers any changes to such policies and guidelines to be appropriate, recommending such changes to the Board for its consideration; (ii) reviewing and adjusting the base salary and other compensation of the Corporation's Chief Executive Officer as appropriate, keeping itself apprised of non-CEO officer compensation and providing to the Chief Executive Officer (who has responsibility for establishing the terms of employment of officers, other than himself) such advice and direction as may be solicited by the Chief Executive Officer or as the Compensation Committee may consider appropriate in

		<p>relation to non-CEO officer compensation;</p> <p>(iii) annual performance appraisals of Chief Executive Officer;</p> <p>(iv) reviewing the compensation of the Board and making recommendations as the Compensation Committee considers appropriate;</p> <p>(v) reviewing bonus plans and other incentive compensation such as options and Warrants and making recommendations in respect thereof.</p>
(d)	<p>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.</p>	<p>The Compensation Committee retained the services of LAHC Enterprises Inc to design the short term, medium term and long term incentive compensation plan which was adopted and implemented in December 2007.</p>
8.	Other Board Committees	
(a)	<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has an Environmental, Health and Safety Committee and their function is to ensure that the Corporation's policies and practices in respect of environmental, health and safety matters are appropriate and are complied with on an ongoing basis.</p>
9.	Assessments	
(a)	<p>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 are performing effectively.</p>	<p>The Governance Committee has the responsibility for considering the membership needs of the Board of Directors and its committees, and reviewing, from time to time, the composition of the Board and its committees and if considered appropriate to make recommendations to the Board in this regard. Further, the Governance Committee evaluates the effectiveness of the various committees and the Board as a whole. The Governance Committee approves the requests from directors or committees of directors respecting the engagement of special advisors, from time to time. The Chairman on at least an annual basis interviews each Board member for the purpose of assessing the effectiveness and contribution of the various individual directors and their committees.</p>