



Dynetek Industries Ltd.

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2007**

MARCH 28, 2008

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CORPORATE STRUCTURE

Dynetek Industries Ltd. (the “Corporation”) was incorporated under the Company Act (British Columbia) on January 18, 1990 under the name “Island Packaging Supplies Ltd.”. On December 13, 1990, the Corporation changed its name to “Dynetek Industries Ltd.” and on June 29, 1998 the Corporation was continued under the Business Corporations Act (Alberta). On August 14, 2000, the Articles of the Corporation were amended to increase the minimum number of directors to three (3), to remove the private company restrictions contained in the Articles and to give effect to a reorganization of share capital pursuant to which each outstanding common share was changed into four (4) common shares.

The head office of the Corporation is located at 4410 – 46 Avenue SE, Calgary, Alberta T2B 3N7 and its registered office is located at 1400, 700 – 2nd Street SW, Calgary, Alberta T2P 4V5.

The Corporation has one wholly owned subsidiary, Dynetek Europe GmbH, a German corporation. There are no other subsidiary companies.

GENERAL DEVELOPMENT OF THE BUSINESS

The general development of the business of the Corporation over its last three completed financial years is as follows:

During the 2005 financial year, the Corporation:

- increased sales revenues by 6% and unit production was reduced by 23% from the prior year;
- participated with 9 original equipment manufacturers (“OEMs”) on 12 confidential hydrogen development programs;
- signed a contract to supply CNG bulk transportation modules to an Engineering firm located in Sydney, Australia for \$4.6 million (CDN) for delivery in 2006;
- received KHK (Japan) and TUV (Europe) certification on a 10000psi (700bar) system for the storage of compressed hydrogen. In 2005, the Corporation also received KHK (Japan) certification of an existing product to allow for the bulk hauling of compressed gases by trailer.

During the 2006 financial year, the Corporation:

- increased sales revenues by 53% and unit production by 31% from the prior year;
- participated with 8 OEMs on 12 confidential hydrogen development programs;
- supplied CNG bulk transportation modules to an Engineering firm located in Sydney, Australia for \$4.6 million (CDN), as announced in 2005;
- signed a letter of intent with Delphi Automotive Systems Do Brazil LTDA. (“Delphi SA”) to establish an exclusive distributorship arrangement and the prospect for a manufacturing plant in Brazil for the production of Dynecell cylinders for CNG transit bus and automotive applications in the South American market;
- Dynetek Europe operation moved to a larger production facility and added a winding machine to increase production capabilities;
- concluded the development and certification of its solenoid valve product line for gas pressures up to 700 bar. Additionally the Corporation introduced its own design of thermally activated pressure relief devices for fire protection of cylinders with up to 700 bar service pressure. A new generation of substantially lighter cylinders for CNG storage and as well as a cylinder with 450 bar service pressure certified to Transport Canada standards targeting the bulk gas transport market were also released into the market in 2006.

During the 2007 financial year, the Corporation

- decreased sales revenues by 9% and unit production was reduced by 25% from the prior year, due mainly to a slowdown in tenders by the European bus market.
- participated with 9 OEM's on 13 confidential hydrogen development programs.
- received an order for approximately \$7.0 million (CAD) in compressed hydrogen system sales with Magna Steyr, an operating unit of Magna International Inc. The order involves the development, certification and supply of 700 bar compressed hydrogen fuel storage systems, including related engineering, to Magna Steyr in connection with Daimler's automotive fuel cell program. By December 31, 2007, Dynetek had completed approximately 50% of this project.
- delivered the Bulk Transport Systems "BT450" Tube Trailer System to the Integrated Waste Hydrogen Utilization Project ("IWHUP"). The BT450 utilize removable modules - also called Powercubes - to transport hydrogen.
- delivered its first Natural Gas Bulk Transport (BT) modules to the United States using Dynetek's U.S. Department of Transport (DOT) certified cylinders and frames.
- obtained U.S. Department of Transport (DOT) certification for its Type III cylinders and frames. The Corporation also developed a fully customizable CNG storage system that will satisfy the unique requirements of a variety of industry needs in a single design. The modular system, mounted on heavy-duty vehicles, behind the cab, will accommodate several sizes and models of cylinders, dependent on the customers' individual demand.

DESCRIPTION OF THE BUSINESS

Summary:

The Corporation is a leading international company engaged in the design, production and marketing of Advanced Lightweight Fuel Storage Systems™, including lightweight storage cylinders and high pressure components including valves and regulators. The key component of the storage system is the DyneCell® cylinder, capable of storing high pressure gases including compressed natural gas (CNG), hydrogen, and various industrial gases. The Corporation's DyneCell cylinder and fuel storage system applications include but are not limited to: the transportation industry, including passenger automobiles, light and heavy-duty trucks, transit and school buses; the bulk hauling of compressed gases; and stationary storage or ground storage refueling applications.

The Corporation's products and services consist primarily of fuel storage, fuel delivery and system integration for alternative compressed gas vehicles, fuel cell applications and hydrogen refueling and stationary storage products. The Corporation offers the following products and services to enable the development and commercialization of these systems:

- Fuel storage – advanced thin-walled lightweight storage cylinders that provide cost effective storage for CNG, compressed hydrogen and other industrial compressed gases, such as oxygen and helium;
- Fuel delivery – pressure regulators, valves and other components designed to control the pressure and flow of compressed gas; and
- System integration – services to design and integrate complete fuel storage systems to meet OEM requirements.

During the 2007 financial year, revenues from sales of CNG systems to one European bus manufacturer accounted for \$4.9 million (17%) (2006: \$5.6 million or 15%) of total consolidated revenues for such financial year.

During 2007 the Corporation saw an increase in research and development revenue by \$3.2 million or 133%. The majority of this increase is the result of the contract with Magna Steyr discussed under "General Development of the Business".

Production and Services:

Production

Our manufacturing activities include assembly, system installation and cylinder manufacturing. Manufacturing capabilities are available at our two locations, Calgary, Alberta and Ratingen, Germany. Complete systems are installed on vehicles at the OEM manufacturing facility or at third party equipping sites. Our operations are ISO-9001-2000 certified.

Services

We provide services in the areas of design, development, validation, certification, manufacture and after sales service support. We provide our customers with the services to support their programs for transportation, stationary, bulk hauling and refueling storage applications for industrial compressed gases, primarily for compressed natural gas and hydrogen. These services include System Integration, Testing and Validation, Certification and Compliance, System Level Assembly, Training and Service and Warranty.

Specialized Skill and Knowledge:

The Corporation believes its future success will be based in a large part on attracting, motivating, and retaining qualified management and employees. Extending our engineering, research and development, design and prototyping, development program management and production capabilities will require additional qualified personnel. The economic boom in Calgary, Alberta due to strong oil and gas prices and the development of the oil sands projects in northern Alberta has made it difficult for all Calgary based businesses to attract and maintain qualified management and employees at reasonable costs. However, we believe that we can continue to attract the required qualified management and employees to be successful.

Competitive Conditions:

The Corporation operates in an industry which is new, rapidly evolving and highly competitive. The level of competition is likely to increase as current competitors improve their products and as new competitors enter the market.

The Corporation believes that it has an advantage over its current competitors. The DyneCell cylinder is lightweight, non-permeable, has excellent corrosion resistance characteristics and limited expansion and contraction under pressure and temperature changes. The Corporation believes that compared to other cylinders, the DyneCell cylinder is one of the lightest currently on the market.

The Corporation also believes that there are barriers for new competitors to entry to the field of lightweight fuel storage systems for CNG and compressed hydrogen. The process of bringing a new product to market requires expertise and skills in proof of concept (research, development and demonstration of prototypes), product development, building specialized manufacturing facilities, obtaining certifications and gaining customer confidence and orders. A competitor faces the following challenges:

Product Design: In order to design an effective competitive product, a broad range of technical skills and experience is needed. Such skills include drafting, metallurgical engineering, metal forming experience, stress and strain computation and computer supported finite element analysis abilities.

Production Processes: Manufacturing processes and production lines must be developed to commercially produce large numbers of product.

Certification and Approvals: The certification process for high-pressure fuel storage is highly regulated, rigorous and time consuming. Each country has its own certification standards and procedures. In addition, OEMs independently test and approve product prior to contract purchases.

Customer Relationships and Confidence: OEMs have strict criteria for selecting suppliers. Price, quality, reliability, responsiveness along with design, engineering and project management support are key criteria.

Market Leadership: The Corporation intends to maintain a leading position in fuel storage systems. Typically a market leader has advantages over competitors that enter the market at a later date.

The Corporation produces a Type III cylinder and competes against other manufacturers of Type III cylinders, and in some markets the Corporation competes directly with Type I, II and IV cylinders. In emerging markets, the Corporation competes against Type II cylinders for CNG storage, which are less advanced but are less expensive than Type III cylinders.

New Products:

In 2007 Dynetek obtained U.S. Department of Transport (DOT) certification for its Type III cylinders and frames. The Corporation also developed a fully customizable CNG storage system that will satisfy the unique requirements of a variety of industry needs in a single design. The modular system, mounted on heavy-duty vehicles, behind the cab, will accommodate several sizes and models of cylinders, dependent on the customers' individual demands.

Raw Materials:

The Corporation purchases the majority of its raw materials (primarily aluminum, carbon fibre and components such as brackets, valves and piping) from North American suppliers. Factors such as price, quality, transportation costs and availability of material and timeliness of delivery impact the Corporation's decisions on sourcing from suppliers. Prior to 2007, the Corporation purchased all of its carbon fibre from Mitsubishi Rayon, through its U.S. subsidiary, provided that the carbon fibre remained superior in quality and price competitive. In 2007, the Corporation contracted additional supplies of carbon fibre through potential additional suppliers and is currently qualifying their products for potential use in the latter part of 2008. The Corporation purchases substantially all of its aluminum from an Alcoa distributor, provided that such aluminum meets the Corporation's quality, price and delivery requirements. In 2008, the Corporation will continue to pursue additional suppliers for aluminum pipe.

Intangible Properties:

The Corporation's fuel storage systems are marketed under the DyneCell brand name.

The Corporation currently has 21 issued patents and 10 pending patent applications.

It is the Corporation's practice to enter into confidentiality agreements with employees, consultants, contract staff, certain customers and certain potential customers in an attempt to limit access to and distribution of its proprietary rights. The agreements with employees, consultants and contract staff include an assignment to the Corporation of all intellectual property developed in the course of employment.

The Corporation and its products are certified under ISO 11439 International, NGV 2 United States/Japan/Mexico/Argentina, KHK Japan, FMVSS 304 United States, TUV Germany, NFPA 52 National Fire Protection Association, DRIRE France, CSA B51 Canada/Australia/Hungry/ United States, Bureau Veritas Argentina, ISO 15869 (draft), European Integrated Hydrogen

Project (EIHP) (draft), Transport Canada, Work Cover Authority Australia and the Department of Transport United States. The DyneCell CNG cylinders are currently certified and sold in over 25 countries around the world. In addition, Dynetek has certification in 28 countries for its 5000 psi lightweight cylinder and four countries for its 10000 psi lightweight cylinder.

Cycles:

The Corporation focuses on the bus and truck market for compressed natural gas storage opportunities. Manufacturer bids for new bus opportunities occur predominately in the second quarter of each fiscal year for deliveries in the third and fourth quarter. Therefore revenues are historically greater in the last six months of the year compared to the first six months. However, in 2007 there was a slow down in the amount of tenders received from the European bus market and this resulted in the majority of the cylinder and system revenues being earned in the first half of the year.

Revenues generated from hydrogen storage opportunities are unpredictable. It can occur any time in the year. Revenues will fluctuate with no effect by seasonal or cyclical patterns.

Economic Dependence:

The Corporation's business is not substantially dependent upon any contract, such as a contract to sell the major part of the Corporation's products or services or to purchase the major part of the Corporation's requirements for goods, services or raw materials, or any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which the Corporation's business depends, except as follows:

- Prior to 2007, the Corporation purchased all of its carbon fibre from Mitsubishi Rayon, through its U.S. subsidiary, provided that the carbon fibre remained superior in quality and price competitive. In 2007, the Corporation contracted additional supplies of carbon fibre through potential additional suppliers and is currently qualifying their products for potential use in the latter part of 2008;
- The Corporation purchases substantially all of its aluminum from an Alcoa distributor, provided that such aluminum meets the Corporation's quality, price and delivery requirements. In 2008, the Corporation will continue to pursue additional suppliers for aluminum pipe.

Changes to Contracts:

The Corporation does not reasonably expect that its business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

Environmental Protection:

The Corporation's production facilities are subject to federal and provincial environmental protection regulations. The Corporation does not believe that compliance with such environmental protection regulations will have a material effect on the capital expenditures, earnings and competitive position of the Corporation in the current financial year or in future years.

Employees:

The Corporation had 95 employees as at December 31, 2007.

Foreign Operations:

The Corporation's European operations accounted for approximately 56% of total Corporation revenues in 2007. The Corporation anticipates the European operations to be the same or more as a percentage of revenue in 2008.

RISK FACTORS

The Section of the Corporation's MD&A for the financial year ended December 31, 2007 titled "Principal Risks and Uncertainties" is incorporated by reference. This document is available on SEDAR at www.sedar.com.

DIVIDENDS

The Corporation has not paid any dividends on its common shares to date. It is the present policy of the board of directors of the Corporation to retain any earnings to finance the growth and development of the Corporation's business and therefore the Corporation does not anticipate paying any dividends in the immediate or foreseeable future. The Corporation's operating line of credit with the Bank of Nova Scotia only allows dividends with their prior written consent.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares.

Each common share is entitled to one vote per share. The preferred shares are non-voting and are issuable in series, with such designations, rights, privileges, restrictions and conditions as are determined by the Board of Directors at the time of issue.

As at March 28, 2008, there were 20,936,500 common shares issued and outstanding and there were no preferred shares issued and outstanding.

MARKET FOR SECURITIES

The Corporation's common shares are listed for trading on the TSX under the symbol DNK.

The following table sets forth information on the price ranges and volumes traded on the TSX for each month during 2007:

<u>MONTH</u>	<u>PRICE RANGE (\$)</u>	<u>VOLUME TRADED</u>
January	1.60-1.70	180,300
February	1.70-1.85	181,000
March	1.64-1.79	557,400
April	1.45-1.70	353,400
May	1.57-1.70	409,900
June	1.45-1.65	235,100
July	1.45-1.61	199,900
August	1.40-1.50	253,800
September	1.35-1.64	77,900
October	1.05-1.45	97,600
November	1.00-1.39	105,500
December	0.86-1.19	233,400

DIRECTORS AND OFFICERS

The name, province and country of residence of each director of the Corporation, the period during which each director has served as a director and their respective principal occupations are as follows:

Name and Residence	Date First Elected as a Director	Principal Occupation
Heinz O. Portmann Calgary, Alberta, Canada	October 3, 1980	Chairman of the Corporation
Robb D. Thompson (2), (3) Calgary, Alberta, Canada	December 3, 2002	Vice President Finance & CFO of Canadian Superior Energy Inc. (a public oil and gas company)
G. Howard Kroon (1), (2) Calgary, Alberta, Canada	October 30, 2007	President and CEO of Palliser Lumber (a private lumber company)
Bradley Turner (1), (3) Calgary, Alberta, Canada	August 24, 2007	President and CEO of Richards Oil & Gas Limited (a public oil and gas company)
Anthony Roberts (2) Lake Elsinore, California, USA	August 20, 2007	Independent business consultant, specializing in carbon fiber composites
John R. Bobenic (1), (3) Calgary, Alberta, Canada	October 30, 2007	President and CEO of Maxim Power Corp. (a publicly traded independent power producer)
Christian Rasche Witten, Germany	January 1, 2007	President and Chief Executive Officer of the Corporation

Notes: (1) Members of the Audit Committee.

(2) Members of the Compensation Committee.

(3) Members of the Corporate Governance Committee.

(4) The term of office of each director will expire at the next annual meeting of shareholders.

The name, province and country of residence of each executive officer of the Corporation and their respective positions and offices held with the Corporation and their respective principal occupations are as follows:

Name and Residence	Positions and Offices	Principal Occupation
Heinz O. Portmann Calgary, Alberta, Canada	Chairman	Chairman of the Corporation
Christian Rasche Ratingen, Germany	President and Chief Executive Officer	President and Chief Executive Officer of the Corporation
Michael D. Portmann Calgary, Alberta, Canada	Vice President and General Manager	Vice President and General Manager of the Corporation
Ulrich Imhof Calgary, Alberta, Canada	Vice President Engineering	Vice President Engineering of the Corporation
Karen Y. Minton Calgary, Alberta, Canada	Vice President Finance and Administration and CFO	Vice President Finance and Administration and CFO of the Corporation

Each of the directors and executive officers has held the principal occupation specified above for the five preceding years, except as follows:

- From September 1, 2001 to December 31, 2006, Christian Rasche was the Managing Director of Dynetek Europe GmbH, a wholly owned subsidiary of the Corporation.
- From September 4, 2002 to December 31, 2006, Karen Minton was the Vice President Finance and Administration of the Corporation.
- From January 2007 until January 2008, Robb Thompson was Vice President Finance and CFO of Berkana Energy Corp., a public oil and gas company. From September 2002 until December 31, 2006, Robb Thompson was President and CEO of Dynetek.
- From 2003 through 2005, G. Howard Kroon was COO of Palliser Lumber.
- From 1995 to 2005, Tony Roberts was Sales and Marketing Director for Grafil Inc. and Newport Adhesives and Composites Inc., both U.S. subsidiaries of Mitsubishi Rayon Co. Ltd.
- Since June 2002, Bradley Turner has also been President and Director of TMI Consulting Corporation, a private business management and corporate strategy consulting company.

As of March 28, 2008, the directors and executive officers of the Corporation as a group beneficially owned, or directed or controlled, directly or indirectly, 1,325,500 (6%) of the common shares of the Corporation.

TRANSFER AGENT AND REGISTRAR

The Corporation's transfer agent and registrar is CIBC Mellon Trust Company with registers of transfers in Calgary, Toronto and Montreal.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts, other than contracts entered into in the ordinary course of business, that are material to the Corporation and that were entered into within the most recently completed financial year, or before the most recently completed financial year but which are still in effect (excluding contracts entered into before January 1, 2002).

INTERESTS OF EXPERTS

Deloitte & Touche LLP is the independent auditor of the Company and is independent within the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporations' securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation's Information Circular for its most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Corporation's financial statements and MD&A for its most recently completed financial year.

AUDIT COMMITTEE INFORMATION

The following Audit Committee information is provided in accordance with NI 52-110 Audit Committees:

1. The Audit Committee's Charter

A copy of the Audit Committee's Charter is attached to this AIF.

2. Composition of the Audit Committee

The members of the Audit Committee are John Bobenic (Chair), Bradley Turner and G. Howie Kroon. All members of the Audit Committee are considered to be independent and financially literate within the meaning of NI 52-110 Audit Committees.

3. Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of such member's responsibilities as an Audit Committee member are as follows:

MEMBER'S NAME	RELEVANT EDUCATION AND EXPERIENCE
John R. Bobenic	<p><u>Relevant Education:</u> Bachelor of Commerce, University of Calgary, 1981 Chartered Accountant, Canadian Institute of Chartered Accountants, 1986 Executive MBA, University of Calgary, 1993</p> <p><u>Relevant Experience:</u> President and CEO of Maxim Power Corp. since October 2000. CFO of ENMAX Corporation, May 1997 to July 2000. Director, Latin America of Westcoast Energy International Inc., March 1997 to July 1998. Gerente General (President) of TransAlta Energy (Chile) S.A., September 1995 to February 1997. Gerente General (CFO) of TransAlta Energy (Chile) S.A., July 1994 to September 1995. TransAlta Utilities Corporation, June 1985 to July 1994. Peat Marwick Mitchell & Co., September 1981 to June 1985.</p>

Bradley Turner	<p><u>Relevant Education:</u> Bachelor of Commerce, University of Calgary, 1983</p> <p><u>Relevant Experience:</u> President, CEO and Director of Richards Oil & Gas Limited since March 2007. President and Director of TMI Consulting Corporation since June 2002. Director of Bow Island Energy Ltd. since November 2003. Director of Colonia Corporation from January 2003 to May 2004. President, CEO and Director of Data Wise Solutions Inc. from December 1999 to May 2002. COO of Request Seismic Surveys Ltd. from September 1998 to November 1999. DMR Consulting Group Inc., September 1997 to August 1998. The Rider Travel Group, 1990 to August 1997. CEDA Reactor Ltd., November 1987 to December 1989. The Edgemont Club, September 1986 to October 1987. Arthur Anderson & Co., September 1983 to August 1986.</p>
G. Howie Kroon	<p><u>Relevant Education:</u> Bachelor of Arts, University of Waterloo, 1987 Masters of Arts, University of Waterloo, 1988 Chartered Accountant, Canadian Institute of Chartered Accountants, 1989</p> <p><u>Relevant Experience:</u> CEO, Palliser Lumber since 2005. COO, Palliser Lumber, 2003 to 2005 Arthur Anderson, 1989 to 1998</p>

4. Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services. All non-audit services must be pre-approved by the Audit Committee.

5. External Auditor Service Fees (by Category)

	2007 Financial Year	2006 Financial Year
Audit Fees	153,931	89,714
Audit-Related Fees ⁽¹⁾	46,707	32,725
Tax Fees ⁽²⁾	8,395.70	8,150

Notes:

(1) Relates to quarterly review engagements.

(2) Relates to review of tax returns.

AUDIT COMMITTEE CHARTER

DYNETEK INDUSTRIES LTD.

Adopted March 14, 2005

1. PURPOSE

- 1.1 The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Dynetek Industries Ltd. (the "Corporation") is established by the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and the audits of the financial statements of the Corporation.

2. COMPOSITION

- 2.1 The Committee will be composed of a minimum of three (3) members.
- 2.2 Every member of the Committee must be a director of the Corporation.
- 2.3 Every member of the Committee must be independent and financially literate within the meaning of, and subject to the limited exceptions contained in, MI 52-110 Audit Committees.
- 2.4 The members of the Committee will choose one of its members to serve as Chair, who is responsible for chairing all meetings of the Committee and for providing reports to the Board.

3. RESPONSIBILITIES

- 3.1 The Corporation will require its external auditor to report directly to the Committee.
- 3.2 The Committee will recommend to the Board:
- (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditor.
- 3.3 The Committee will be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- 3.4 The Committee will pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor (provided that the Committee may adopt policies and procedures for the pre-approval of de minimus non-audit services and for the delegation of the pre-approval of non-audit services to one or more members of the Committee, in accordance with MI 52-110 Audit Committees).
- 3.5 The Committee will review and provide recommendations to the Board for approval of the following:
- (a) the interim unaudited and annual audited consolidated financial statements;
 - (b) the interim and annual MD&A;

- (c) the financial information contained in the interim and annual news releases of financial results and reports to shareholders;
 - (d) the financial information and the disclosure of information concerning the Committee contained in the Annual Information Form;
 - (e) the proposed audit plan for the annual audited consolidated financial statements of the Corporation; and
 - (f) the financial statements and other financial information contained in any prospectus or other securities offering document and any other public disclosure document of the Corporation.
- 3.6 The Committee will satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in Section 3.5, and will periodically assess the adequacy of those procedure.
- 3.7 The Committee will establish procedures for:
- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- 3.8 The Committee will review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
- 3.9 The Committee will review and approve any earnings guidance and any news release containing financial information based on the Corporation's financial statements prior to their release.
4. AUTHORITY
- 4.1 The Committee has the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal accounting staff and external auditors.
5. MEETINGS
- 5.1 The Committee will meet at least four times per year, and additionally as necessary.
- 5.2 With the approval of all Committee members, a meeting of the Committee may be conducted with any or all members of the Committee present by telephone conference call.
- 5.3 A quorum for a meeting of the Committee will be a majority of the members, present either in person or by telephone conference call.
- 5.4 Resolutions of the Committee will be carried by a majority of the votes cast by the members of the Committee at the meeting, present either in person or by telephone.
- 5.5 All members of the Board are free to attend and participate in any meetings of the Committee, but only members of the Committee are entitled to vote.

5.6 The Committee may invite such officers and employees of the Corporation to attend such meetings as the Committee sees fit.

6. REMUNERATION

6.1 The members of the Committee will be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.