

Automodular Corporation Management Information Circular

MANAGEMENT SOLICITATION

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Automodular Corporation (“Automodular” or the “Corporation”) for use at the Annual Meeting (the “Meeting”) of holders of common shares of the Corporation to be held at 11:00 a.m. (Toronto time) on Thursday, May 8, 2008 for the purposes set forth in the accompanying notice of annual meeting (the “Notice”) and for use at any adjournment(s) of the Meeting.

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone or other personal contact by employees of the Corporation. The costs of solicitation will be borne by the Corporation.

Part One: Voting Information And Principal Shareholders

APPOINTMENT AND REVOCATION OF PROXIES

REGISTERED SHAREHOLDERS

If you are a registered shareholder, you can vote your shares at the Meeting in person or by proxy. A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to sign, date and return the form of proxy in the envelope provided. The form of proxy must be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof, duly authorized. Proxies to be exercised at the Meeting must be lodged with Computershare Investor Services Inc., Registrar and Transfer Agent of the Corporation, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attn: Proxy Department, to arrive no later than 5:00 p.m. (Toronto time) on Wednesday, May 7, 2008 or, if the Meeting is adjourned, not later than the close of business on the business day preceding the day of such adjourned Meeting.

APPOINTMENT OF PROXY

The persons named in the enclosed form of proxy are directors or officers of the Corporation. **A shareholder has the right to appoint some other person (who need not be a shareholder) to attend and vote for and on behalf of the shareholder at the Meeting.** Such right may be exercised either by inserting such other person's name in the blank space provided on the form of proxy and striking out the names of management's nominees or by substituting another proper form of proxy and, in either case, depositing the completed form of proxy so as to arrive at the principal offices of Computershare Investor Services Inc., Registrar and Transfer Agent of the Corporation, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attn: Proxy Department, not later than 5:00 p.m. (Toronto time) on Wednesday, May 7, 2008 or, if the Meeting is adjourned, not later than the close of business on the business day preceding the day of such adjourned Meeting.

NON-REGISTERED OR BENEFICIAL SHAREHOLDERS

Your shares may not be registered in your name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or trustees or administrators of self administered registered savings plans, registered retirement savings funds, registered education savings plans and similar plans, or a clearing agency in which an intermediary participates). If your shares are listed in an account statement provided to you by a broker, then it is likely that those shares will not be registered in your name but under the broker's name or under the name of an agent of the broker such as CDS & Co. (the registration name for The Canadian Depository for Securities Limited), the nominee for many Canadian brokerage firms.

If your shares are registered in the name of an intermediary, you are a non-registered or beneficial shareholder (a **“beneficial shareholder”**). Beneficial shareholders should be aware that only registered shareholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting. The purpose of the procedures described below is to permit non-registered shareholders to direct the voting of the shares they beneficially own. There are two categories of beneficial shareholders. Beneficial shareholders who have provided instructions to an intermediary that they do not object to the intermediary disclosing

ownership information about them are considered to be Non-Objecting Beneficial Owners (“**NOBOs**”). Beneficial shareholders who have objected to an intermediary providing ownership information are Objecting Beneficial Owners (“**OBOs**”).

The Corporation has distributed copies of this Information Circular, the accompanying form of proxy, the Notice and its annual report, including the consolidated financial statements of the Corporation for the years ended December 31, 2007 and December 31, 2006, (collectively, the “**Meeting Materials**”), either directly to registered shareholders and to the NOBOs or to intermediaries for distribution to NOBOs together with the intermediary's form of proxy or voting instruction form. The Corporation has distributed copies of the Meeting Materials to intermediaries for forward distribution to the OBOs. Unless you have waived your right to receive the Meeting Materials, the Corporation is required to deliver them to you as a beneficial shareholder of the Corporation and to seek your instructions as to how to vote your shares.

VOTING PROCEDURE FOR BENEFICIAL SHAREHOLDERS

Brokers or agents can only vote the shares of the Corporation if instructed to do so by the beneficial shareholders. Every broker or agent has its own mailing procedure and provides its own instructions. Typically, beneficial shareholders will be given a voting instruction form (“**VIF**”) which must be completed and signed by the beneficial shareholders in accordance with the instructions provided by the intermediary. The purpose of this form is to seek permission from the beneficial shareholder on how to vote on behalf of or otherwise represent the beneficial shareholder. A beneficial shareholder cannot use this form to vote or otherwise represent shares in person at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions, (“**Broadridge**”), formerly ADP Investor Communications. Broadridge mails the VIF to the beneficial shareholders and asks them to return the instruction forms to Broadridge. Broadridge then tabulates the results of all instructions respecting the shares to be represented at the Meeting. The instruction form must be returned to Broadridge well in advance of the Meeting in order to have the shares voted or otherwise represented at the Meeting.

Occasionally, a beneficial shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of shares owned by the beneficial shareholder but is otherwise not completed. This form of proxy does not need to be signed by you. In this case, you can complete and deliver the proxy as described above under the heading “Registered Shareholders”.

Beneficial shareholders should carefully follow the instructions of their intermediary on the forms they receive, including those regarding when and where the form of proxy or VIF is to be delivered, and contact their intermediaries promptly if they need assistance.

OBJECTING BENEFICIAL OWNERS – OBOs

If you are an OBO, you cannot use the mechanisms described above for registered shareholders and must follow the instructions provided by the intermediary in order to ensure that your shares are voted or otherwise represented at the Meeting.

NON-OBJECTING BENEFICIAL OWNERS – NOBOs

If you are a NOBO, and the Corporation or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send the Meeting Materials to NOBOs directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions.

If you, as a NOBO, receive the Corporation's form of proxy, you may complete and deliver the proxy as described above under the heading “Registered Shareholders”. If you, as a NOBO, receive the intermediary's VIF, follow the instructions provided by the intermediary with respect to completing the form in order to ensure that your shares are voted or otherwise represented at the Meeting.

BENEFICIAL SHAREHOLDERS – ATTENDANCE AT MEETING

If a beneficial shareholder who receives a VIF or a proxy signed by an intermediary wishes to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the beneficial shareholder should complete, sign and return the VIF in accordance with the directions on the form, or, in the case of a signed proxy, the beneficial shareholder should strike out the names of the persons designated in the form of proxy as the proxy holder and insert the name of the beneficial shareholder (or of such other person who will attend and vote on their behalf) in the blank space provided. A beneficial shareholder has the right to demand and to receive from an intermediary holding shares on behalf of the beneficial shareholder a proxy enabling the beneficial shareholder to attend the Meeting and to vote the shares.

REVOKING PROXIES AND VOTING INSTRUCTION FORMS

Any shareholder who executes and returns a proxy may revoke it to the extent it has not been exercised by depositing a written instrument executed by the shareholder or his, her or its attorney duly authorized in writing, or, if the shareholder is a corporation, by written instrument executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of the corporation:

- (a) at the registered office of the Corporation or at the principal office of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 Attention: Proxy Department, at any time up to the close of business on the business day preceding the day of the Meeting or any adjournment(s) thereof;
- (b) with the Chairman of the Meeting on the day of the Meeting, or any adjournment(s) thereof, at any time prior to a vote being taken in reliance on such proxy; or
- (c) in any other manner permitted by law.

A beneficial shareholder may revoke a voting instruction or may revoke a waiver of the right to receive meeting materials or a waiver of the right to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on any such revocation that is not received by the intermediary well in advance of the Meeting.

VOTING OF SHARES BY PROXY

The persons named on the enclosed form of proxy will vote, or will withhold from voting, the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such directions, such shares will be voted in favour of the matters specified in the Notice.

An intermediary may not vote, or give a proxy authorizing another person so vote, except in accordance with voting instructions received from the non-registered shareholder who beneficially owns the shares.

EXERCISE OF DISCRETION BY PROXY

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to such other matters as may properly come before the Meeting or any adjournment(s) thereof. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than matters referred to in the Notice. **If amendments or variations to matters identified in the Notice or if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matters.**

RECORD DATE

The Board of Directors of the Corporation has fixed April 3, 2008 as the record date for the determination of shareholders entitled to receive notice of the Meeting and to vote at the Meeting.

OUTSTANDING VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of the date of this Information Circular 25,949,233 common shares of the Corporation are outstanding.

The holders of common shares at the close of business on April 3, 2008 will be entitled to one vote per common share at the Meeting, except to the extent that a holder has transferred any shares of the Corporation after that date and the new holder of such shares establishes proper ownership and requests, not later than 10 days before the Meeting, to be included in the list of shareholders eligible to vote at the Meeting. Such new holder shall have the right to vote the shares so transferred. Unless otherwise required by law, every question coming before the Meeting shall be determined by a majority of votes duly cast on the matter.

To the knowledge of the directors and executive officers of the Corporation, there is no beneficial owner of, nor any person who exercises control or direction over, more than 10% of the outstanding common shares in the capital of the Corporation, other than as set out below:

Name	Number of Voting Securities	Type of Ownership or Control	Percentage of Outstanding Common Shares
Michael F. Blair	2,872,411 Common Shares	Indirect ⁽¹⁾	11.1%
R. Peter McLaughlin	2,600,159 Common Shares	Indirect ⁽²⁾	10.0%
Scotia Merchant Capital Corporation ("SMCC")	5,536,000 Common Shares	Direct ⁽³⁾	21.3%

Notes:

⁽¹⁾ These shares are held directly by Renegade Capital Corporation, a corporation over which Michael F. Blair has control or direction.

⁽²⁾ These shares are held directly by Greenbriar Holdings Limited, a company over which R. Peter McLaughlin has control or direction.

⁽³⁾ SMCC is a wholly-owned subsidiary of The Bank of Nova Scotia and, as Trustee, had control and direction over SMC Equity Partners 2001 Fund (the "Fund"). Andrew Brenton and Garth Davis were respectively Managing Partner and Partner of SMCC. In May, 2007, Andrew Brenton was appointed CEO of the Turtle Creek Group and Garth Davis appointed Managing Partner of Turtle Creek Private Equity. Messrs. Brenton and Davis continue to advise SMCC on its investments which include its shares of Automodular but following a corporate reorganization, SMCC is no longer trustee of the Fund and has no control or direction over the 264,000 shares of Automodular held by the Fund.

Part Two: Business to be transacted at the Meeting

1. Financial Statements:

The audited consolidated financial statements of the Corporation for the years ended December 31, 2007 and December 31, 2006, together with the report of the auditors thereon, will be presented to the shareholders at the Meeting for their consideration.

2. Appointment of Auditors:

Shareholders will be requested to re-appoint PricewaterhouseCoopers LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders at a remuneration and on terms of engagement to be fixed by the directors. PricewaterhouseCoopers LLP was first appointed auditors of the Corporation in 2006.

3. Election of Directors:

The Articles of the Corporation provide that the Board of Directors of the Corporation is to consist of a minimum of five (5) and a maximum of fifteen (15) directors and, pursuant to a shareholders' resolution dated June 26, 1984, the shareholders granted the directors the discretion to determine, by resolution of the directors, the actual number of directors to be elected at

a meeting of shareholders. The Board of Directors has determined that the number of directors will be eight (8). The present term of office of each director of the Corporation will expire immediately prior to the election of directors at the Meeting unless he ceases to hold office in accordance with the *Business Corporations Act*, (Ontario) or the by-laws of the Corporation.

The following table and notes thereto set forth the nominees proposed by management for election as directors of the Corporation. **Management does not contemplate that any of such nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy will vote for another nominee as management may recommend unless the shareholder has specified in the form of proxy that their shares are to be withheld from voting in the election of directors.**

Nominee and jurisdiction of residence	Director since	Principal occupation during the preceding five years	Common shares of Automodular beneficially owned or controlled
Russell M. Baranowski Ontario, Canada	1997	Until retiring June 30, 2005 President, Automodular Corporation	500,000
Michael F. Blair ⁽¹⁾ Ontario, Canada	1989	President & Chief Executive Officer, Automodular Corporation	2,872,411 ⁽¹⁾
Andrew Brenton ^{(2)(*)} Ontario, Canada	2001	Chief Executive Officer, the Turtle Creek Group (investment management) Managing Partner, Scotia Merchant Capital Corporation until May, 2007 (merchant banker)	0 ⁽²⁾
Garth Davis ⁽²⁾ Ontario, Canada	2001	Managing Partner, Turtle Creek Private Equity (investment management) Partner, Scotia Merchant Capital Corporation until May, 2007 (merchant banker)	0 ⁽²⁾
Henry J. Knowles ^(*) Ontario, Canada	1989	Business and Financial Consultant Until January 1, 2004 Counsel to Sheldon • Huxtable, Barristers & Solicitors	250,948
R. Peter McLaughlin ^{(3)(*)} Ontario, Canada	2000	President, Greenbriar Holdings Limited (private family holding company)	2,600,159 ⁽³⁾
James Rodgers Ontario, Canada	2002	President, Cames Consulting Inc. (consulting company)	5,000
Rae E. Wallin ^(*) Ontario, Canada	1998	President, N-Viro Systems Canada Inc. (bio-solids management company)	7,833

* Member of the Audit Committee

⁽¹⁾ Michael F. Blair is President of Renegade Capital Corporation which beneficially owns or controls 2,872,411 or 11.1% of the outstanding common shares of Automodular Corporation.

⁽²⁾ Scotia Merchant Capital Corporation, ("SMCC"), a wholly-owned subsidiary of The Bank of Nova Scotia directly owns 5,536,000 shares or 21.3% of the outstanding common shares of Automodular Corporation. SMCC as Trustee, had control and direction over SMC Equity Partners 2001 Fund (the "Fund") which directly owns 264,000 shares of Automodular. Andrew Brenton and Garth Davis were respectively Managing Partner and Partner of SMCC. In May, 2007, Andrew Brenton was appointed CEO of the Turtle Creek Group and Garth Davis appointed Managing Partner of Turtle Creek Private Equity. Messrs. Brenton and Davis continue to advise SMCC on its investments, which include its shares of Automodular, but following a corporate reorganization, SMCC is no longer trustee of the Fund and has no control or direction over the 264,000 shares of Automodular held by the Fund.

⁽³⁾ R. Peter McLaughlin is President of Greenbriar Holdings Limited which owns beneficially or controls 2,600,159 or 10.0% of the outstanding common shares of Automodular Corporation.

To the knowledge of the Corporation, no proposed director is, at the date of this information circular, or has been, within 10 years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity, (a) was the subject of a cease trade order or

similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days or (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Corporation, no proposed director is, as at the date of this information circular, or has been within 10 years before the date of this information circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

Mr. Michael F. Blair, a director and President and Chief Executive Officer of the Corporation, was a director of Beukeboom's Country Fresh Market Inc., a retail food operation and a subsidiary of the Corporation that went into receivership in May, 2000 approximately two months after he resigned as a director on March 16, 2000. Beukeboom's ceased to operate as a going concern.

Mr. Andrew Brenton, a director of the Corporation, was a director of RNG Group Inc., a private company that entered interim receivership on February 11, 2002 and was declared bankrupt on October 28, 2002. Mr. Brenton resigned as a director on December 21, 2001.

Mr. Henry J. Knowles, a director of the Corporation was a director of Triangulum Corporation which had a receiver manager appointed to hold its assets approximately six months after he resigned as a director on December 19, 2001. Triangulum Corporation ceased to operate as a going concern.

Mr. R. Peter McLaughlin, a director of the Corporation is and has been a director of Alliance Surface Finishing Inc. ("**Alliance**") and its 70% subsidiary ASF Ontario Production Inc. ("**ASF**"), since 2004. On December 12, 2006, both Alliance and ASF filed a Notice of Intention to make a Proposal to Creditors under the provisions of the Bankruptcy Act, Canada. Both companies filed their respective Proposals to Creditors on June 11, 2007, had the Proposals approved by the Creditors on June 28, 2007 and received Court approval for same on July 30, 2007. Unfortunately the housing crisis and weakened economy in the United States, combined with the depreciation of the US dollar caused the business of ASF to deteriorate to the point that it put itself into receivership on December 4, 2007 and had a Trustee in Bankruptcy appointed on December 7, 2007.

To the knowledge of the Corporation, no proposed director has, within the 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Corporation, no proposed director (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority; or (b) since December 31, 2000, has entered into a settlement agreement with a securities regulatory authority or, before January 1, 2001, entered into a settlement agreement with a securities regulatory authority which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director; or (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Part Three: Compensation Disclosure and Related Matters

COMPENSATION OF NAMED EXECUTIVE OFFICERS

The Summary Compensation Table below details all annual and long-term compensation information for the three fiscal years ended December 31, 2005, 2006 and 2007, for the Chief Executive Officer, the Chief Financial Officer and the other individuals (to a maximum of three) who were the most highly compensated executive officers of the Corporation and its subsidiaries and whose annual salary and bonus from the Corporation and its subsidiaries exceeded \$150,000 in 2007, (collectively, with the Chief Executive Officer and the Chief Financial Officer, the “named executive officers” or the “NEOs” of the Corporation).

The information includes salary earned in each applicable year, incentive bonuses earned in each applicable year other annual compensation, which includes perquisites and personal benefits, and all other compensation not reported elsewhere.

SUMMARY COMPENSATION TABLE (Year Ended December 31, 2007)

NEO Name and Principal Position	Annual Compensation				Long-Term Compensation			
	Year	Salary	Bonus	Other Annual Compensation	Awards		Payouts	All Other Compensation
					Securities Under Options/SARs ⁽¹⁾ Granted	Shares or Units Subject to Resale Restrictions	LTIP ⁽²⁾ Payouts	
(a)	(b)	(\$) (c)	(\$) (d)	(\$) (e)	(#) (f)	(\$) (g)	(\$) (h)	(\$) (i)
Michael F. Blair President & Chief Executive Officer	2007	367,200	146,880	28,064	0	0	0	160,600 ⁽³⁾⁽⁵⁾
	2006	360,000	0	35,620	0	0	0	55,200 ⁽³⁾⁽⁵⁾
	2005	346,698	50,000 ⁽⁴⁾	34,077	0	0	0	22,000 ⁽³⁾
Christopher S. Nutt V.P. Finance & Chief Financial Officer	2007	175,000	70,000	19,000	0	0	0	0
	2006	160,961	21,000	18,000	0	0	0	0
	2005	155,653	45,000 ⁽⁶⁾	17,500	0	0	0	0
James Gazo V.P. Canadian Operations	2007	180,000	72,000	19,000	0	0	0	0
	2006	165,000	21,600	18,000	0	0	0	0
	2005	145,655	37,677 ⁽⁶⁾	17,500	0	0	0	0
Christopher Dell V.P. Business Development	2007	135,000	40,500	19,000	0	0	0	0
	2006	100,000	20,250	4,500	0	0	0	0
	2005	92,700	8,968	0	0	0	0	0
Travis Doyle V.P. Program Launches	2007	130,000	39,500	19,000	0	0	0	0
	2006	100,000	26,000	0	0	0	0	0
	2005	92,700	20,000	0	0	0	0	0

⁽¹⁾ Stock Appreciation Rights.

⁽²⁾ Long-term Incentive Plan.

⁽³⁾ Director's fees.

⁽⁴⁾ A discretionary bonus awarded by the Board of Directors.

⁽⁵⁾ The Company paid \$30,200 into Mr. Blair's pension plan during fiscal 2006 and \$138,600 in 2007.

⁽⁶⁾ Prior years' bonuses have been reallocated to reflect the year earned rather than the year paid.

OPTIONS GRANTED TO NAMED EXECUTIVE OFFICERS DURING YEAR ENDED DECEMBER 31, 2007

NEO Name	Securities Under Options Granted	% of Total Options Granted to Named Employees in the Financial Year	Exercise or Base Price	Market Value of Securities Underlying Options on the Date of Grant	Expiration Date
	#		\$	\$	
N/A	Nil	Nil	N/A	N/A	N/A

**AGGREGATED OPTIONS EXERCISED DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR
AND FINANCIAL YEAR-END OPTION VALUES FOR THE NAMED EXECUTIVE OFFICERS**

NEO Name	Securities Acquired on Exercise	Aggregate Value Realized	Unexercised Options at Year-End # Exercisable/Unexercisable	Value of Unexercised In-the- Money Options at Year-End \$ Exercisable/Unexercisable
	#	\$		
Michael F. Blair	0	0	0/0	0/0
Christopher S. Nutt	0	0	80,000/20,000	0/0
James Gazo	0	0	0/0	0/0
Christopher Dell	0	0	0/0	0/0
Travis Doyle	0	0	0/0	0/0

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITY, EMPLOYMENT CONTRACTS AND OTHER COMPENSATORY ARRANGEMENTS

The Corporation has written employment contracts with the named executive officers as follows:

Mr. Michael F. Blair – an amended employment contract terminating in 2010, with annual remuneration of \$367,200 per annum or as agreed plus reasonable out of pocket expenses. The contract provides for termination benefits of 36 months base salary for termination without cause. See also the disclosure made under “Defined Benefit Plans”.

Mr. Christopher S. Nutt – a three-year employment contract with Automodular, terminating in 2009, with annual remuneration of \$165,000 or as agreed. The contract provides for benefits of 18 months base salary for termination without cause.

Mr. James Gazo – a three-year employment contract terminating in 2008, with annual remuneration of \$165,000 or as agreed. The contract provides for benefits of 18 months base salary for termination without cause.

Mr. Christopher Dell – a three-year employment contract terminating in 2010, with annual remuneration of \$135,000 or as agreed. The contract provides for benefits of 18 months base salary for termination without cause.

Mr. Travis Doyle – a three-year employment contract terminating in 2010, with annual remuneration of \$130,000 or as agreed. The contract provides for benefits of 18 months base salary for termination without cause.

None of the foregoing contracts contains any payment or vesting provisions in the event of a change of control of the Corporation or any of its subsidiaries nor in the event of a change in the responsibilities of the named executive officers following a change of control.

Mr. Russell Baranowski, President of the Corporation before his retirement on June 30, 2005, receives an unfunded retirement allowance of \$60,000 per annum paid bi-weekly and subject to required statutory deductions. This allowance was approved by the Board of Directors. See also the disclosure made under “Defined Benefit Plans”.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

None of the executive officers, former executive officers, employees, directors, former employees, former directors or proposed nominees for election as directors of the Corporation, nor any of their associates, is or was since the beginning of the most recently completed financial year of the Corporation indebted to the Corporation.

DEFINED BENEFIT PLANS

In 2001, the Corporation initiated a defined benefit pension plan for its Chief Executive Officer. The pension benefit for this plan is a formula based on earnings and years of service as shown in the following table. At year-end, the plan was funded under a retirement compensation arrangement (RCA) registered under the *Income Tax Act (Canada)*.

PENSION PLAN TABLE

Remuneration (\$)	Years of Service				
	15	20	25	30	35
200,000	\$60,000	\$80,000	\$100,000	\$120,000	\$140,000
250,000	\$75,000	\$100,000	\$125,000	\$150,000	\$175,000
300,000	\$90,000	\$120,000	\$150,000	\$180,000	\$210,000
350,000	\$105,000	\$140,000	\$175,000	\$210,000	\$245,000
400,000	\$120,000	\$160,000	\$200,000	\$240,000	\$280,000
450,000	\$135,000	\$180,000	\$225,000	\$270,000	\$315,000
500,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000
550,000	\$165,000	\$220,000	\$275,000	\$330,000	\$385,000
600,000	\$180,000	\$240,000	\$300,000	\$360,000	\$420,000

The compensation covered by the plan is the Chief Executive Officer's base salary in the 12-month period immediately prior to retirement. The Chief Executive Officer had 18 full years of service to December 31, 2007. The retirement benefit is determined as 2% of the Chief Executive Officer's final year's base salary multiplied by the number of full years of service with the Corporation to the date of retirement. The retirement benefit is payable as a life annuity, with no CPI or other indexing. On the annuitant's death after retirement, 50% of the retirement benefit is payable to the annuitant's surviving spouse for the remainder of her life. The retirement benefit is not subject to any deduction for social security (Canada/Quebec Pension Plan and/or Old Age Security) or other offset amounts.

Mr. Russell Baranowski, President of the Corporation until his retirement on June 30, 2005, receives an unfunded retirement allowance of \$60,000 per annum paid bi-weekly and subject to required statutory deductions.

STOCK OPTION PLAN

Automodular's Stock Option Plan (the "**Plan**") was adopted by the Corporation on May 21, 1997. Under the Plan, the Board of Directors may grant, at its discretion, options to purchase common shares of the Corporation to certain employees, officers, directors and consultants of the Corporation and its subsidiaries. The exercise price is established by the Board of Directors but may not be lower than the closing price on the Toronto Stock Exchange for common shares on the business day immediately preceding the date of the grant. Unless determined otherwise by the Board of Directors of the Corporation, options are exercisable for a period of five years from the date of grant, except in the event of retirement, termination of employment, death, disability or change of control. Options granted vest evenly over a period of five years at a rate of 20% per year commencing on the first anniversary date of the grant. Shareholder approval was received at the May 27, 1999 annual and special shareholders' meeting for an amendment to replenish the Plan and set the number of common shares which may be reserved for issuance at 970,000. On May 31, 2005, the shareholders approved a further amendment to the Plan, to increase the number of common shares authorized for issuance under the Plan by 230,000 so that an aggregate of 1,200,000 common shares would be available for issuance under the Plan. At March 6, 2008, there are 100,000 options outstanding exercisable to purchase 100,000 common shares under the Plan which represents less than 1% of the 25,949,233 issued and outstanding common shares of the Corporation.

The total number of shares which may be optioned to any one optionee under this Plan shall not exceed 5% of the number of issued and outstanding shares at the date of the grant of the option. The total number of shares issuable to insiders, at any

time, under all security-based compensation arrangements, cannot exceed 10% of the issued and outstanding shares at such time. The number of shares which may be issued to all insiders, within any one-year period under the Plan and under all other security-based compensation arrangements, cannot exceed 10% of the issued and outstanding shares at the date of issuance.

Options expire (i) one year following the death of an optionee or the permanent disability of an optionee resulting in termination of employment or his or her ceasing to be a director, officer or consultant of the Corporation or of any subsidiary; (ii) 60 days following the date upon which an optionee ceases (other than due to death or disability) to be a director, officer, employee or consultant of the Corporation or of any subsidiary; and (iii) 30 days following the termination for just cause of any of the foregoing persons. Upon a change of control, all options vest not later than 10 days prior to the closing of the sale to permit the optionees to tender their shares.

Options granted under the Plan are not assignable except by will.

The Board of Directors may amend or discontinue the Plan at any time, subject to the prior approval of the appropriate regulatory authority, provided that no such amendment may (i) without approval of the shareholders increase the maximum number of common shares that may be optioned under the Plan, (ii) change the manner of determining the exercise price, or (iii) without the consent of the optionee, alter any of the terms of any option previously granted to an optionee under the Plan.

The following table provides information as at December 31, 2007 with respect to common shares authorized for issuance under the Plan. The Plan is the only equity compensation plan that provides for the issuance of common shares of the Corporation.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	(A) Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights	(B) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(C) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)
#	#	\$	#
Equity compensation plans approved by securityholders	120,000	4.24	1,080,000
Equity compensation plans not approved by securityholders	N/A		N/A
Total	120,000	4.24	1,080,000

⁽¹⁾ The Corporation has a long-term incentive plan not approved by the shareholders. However, the Unit Plan does not involve an issuance of treasury securities. Shares purchased by the trustee for the benefit of the Designated Participants are purchased from the secondary market.

LONG TERM INCENTIVE PLAN

In June, 2007, Automodular adopted a Performance Share Unit Plan for Designated Participants of Automodular and its subsidiaries (the “Unit Plan”). In order to promote further alignment of the interests of the Corporation’s senior executives and its shareholders, as well as provide a retention component to the compensation system, Automodular will contribute funds to the trustee under the Unit Plan from time to time pursuant to the Unit Plan for the purchase of shares of Automodular in secondary markets for designated participants. The Unit Plan does not involve any issuance of securities by the Corporation from treasury. The Board may designate from time to time under the Unit Plan, those employees and consultants (not

directors) of the Corporation or a subsidiary of the Corporation ("**Designated Participants**") who are eligible to participate in the Unit Plan.

The Board may from time to time determine an amount to be provided by the Corporation to the trustee to fund the purchase of common shares ("**Shares**") for purposes of performance share units ("**Performance Share Units**") to be granted pursuant to the Unit Plan. The Corporation will give such amount to the trustee and request the trustee to promptly purchase in secondary markets such integral number of Shares as can be reasonably acquired with such funds.

Performance Share Units are bookkeeping entries credited to the Performance Share Unit Account (defined below) of a Designated Participant in accordance with the Unit Plan, which may be redeemed for Shares on a one-for-one basis in accordance with the Unit Plan. A Performance Share Unit Account is an account maintained by the Corporation for each Designated Participant. Within that account, the Corporation will maintain a sub-account reflecting the number of such Performance Share Units that are qualified performance share units ("**Qualified Performance Share Units**").

A Qualified Performance Share Unit means a Performance Share Unit in respect of which all target milestones for a period have been achieved, in accordance with the schedule established by the Board with respect to such Performance Share Units. Once the Qualified Performance Share Units vest, they are referred to as Vested Performance Share Units.

The Board will, in its sole discretion, determine the Vesting Period (defined below) and the Measurement Period or Periods (defined below) within that Vesting Period applicable to each grant of Performance Share Units. Vesting Period means a period as specified by the Board under the Unit Plan in respect of which a Designated Participant may be or become entitled to receive any Shares issuable or amount payable on account of Performance Share Units. Measurement Period means a period as specified by the Board in accordance with the Unit Plan, within a Vesting Period, in respect of which one or more specified performance criteria are to be measured against a Target Milestone (a specified performance criteria established for a Designated Participant under the Unit Plan) in accordance with the schedule established by the Board at the time of the grant.

Unless otherwise specified by the Board, the Vesting Period applicable to a grant of Performance Share Units will commence on January 1 coincident with or immediately preceding the grant and will end on December 31 of the third year following the calendar year in which such Performance Share Units were granted. Unless otherwise specified by the Board, the Measurement Period within the Vesting Period will commence on January 1 and end on the following December 31.

The Board will cause the Target Milestone or Target Milestones for a Designated Participant during the initial Measurement Period to be determined at the time of the grant of the Performance Share Units. The Board will cause the Target Milestone or Target Milestones for a Designated Participant during each subsequent Measurement Period to be determined prior to, or forthwith after, the commencement of the Measurement Period and will promptly notify the Designated Participant of the Target Milestone or Target Milestones for that Measurement Period. If it is determined that one or more Target Milestones have not been met for the Measurement Period, the portion of the Performance Share Units that would have become Qualified Performance Share Units are cancelled, unless otherwise determined by the Board.

Notwithstanding any other provision of the Unit Plan, no additional Performance Share Units may be granted if, at the time of grant and taking into account all Shares which the Trustee has purchased or has been requested to purchase in connection with the previously granted Performance Share Units, the trustee is not permitted under the stock exchange rules to purchase the Shares to which the Designated Participant will become entitled if all of the Performance Share Units become Vested Performance Share Units.

Designated Participants who have Vested Performance Share Units have the right to receive and will receive, with respect to all Performance Share Units that are Vested Performance Share Units as at that date, such number of Shares held by the trustee as are equal to the number of Vested Performance Share Units. Beneficial ownership of such Shares will vest in the Designated Participant upon direction being given by the Corporation to the trustee pursuant to the Unit Plan to release such Shares to the Designated Participant and thereafter the trustee will transfer such Shares to the Designated Participant.

Unless otherwise determined by the Board, if a Designated Participant is terminated for cause or the Designated Participant terminates his employment with the Corporation or a subsidiary for any reason, other than by death, disability or termination without cause, then the Designated Participant's Qualified Performance Share Units will not become Vested Performance Share Units and all Performance Share Units recorded in the Designated Participant's Performance Share Unit Account will be cancelled. The Unit Plan also sets out provisions with respect to the qualification of Performance Share Units and the vesting of Performance Share Units upon the death, disability or termination without cause of the Designated Participant.

Performance Share Units are not Shares and the grant of Performance Share Units will not entitle a Designated Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

The Board is authorized to amend, suspend or discontinue the Unit Plan and amend or discontinue any Performance Share Units granted under the Unit Plan, at any time, without obtaining shareholder approval or, except as provided below, the approval of any Designated Participant. No action will be taken with respect to Qualified Performance Share Units without the consent of the Designated Participant unless the Board determines that such action does not materially and adversely alter or impair such Qualified Performance Share Units (provided that acceleration of qualification or vesting of Performance Share Units will not be considered material and adverse).

Automodular made an initial contribution of \$500,000 to the Unit Plan in connection with awards under the Unit Plan that will vest on or about December 21, 2010 (subject to earlier vesting in certain circumstances in accordance with the Unit Plan). Since the initial contribution of the \$500,000 to the Unit Plan, the trustee has purchased 198,504 shares at an average price of \$2.52. A copy of the Unit Plan has been filed on SEDAR at www.sedar.com.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

At December 31, 2007, the Corporation maintained \$10,000,000 of group liability insurance for the protection of the directors and officers of the Corporation and its subsidiaries. The annual premium for this liability insurance in 2007 was \$47,500. This coverage is in addition to the corporate indemnification outlined in the Corporation's By-Law.

COMPENSATION OF DIRECTORS

Directors' compensation is reviewed on an annual basis by the full Board which recently determined, after reviewing companies with revenue similar to that of Automodular, that the current compensation did not fully reflect the increasing responsibilities and risks assumed by the directors and accordingly amended the fee structure effective January 1, 2008. Prior to this date, Directors were paid an annual retainer of \$10,000 and an attendance fee of \$1,000 for each board and committee meeting attended: an annual payment of \$40,000 was made to the Chairman of the Board and a payment of \$10,000 to the Chairman of the Audit Committee. In January, 2008 the Directors passed a resolution to increase the attendance fee to \$1,250 per meeting and the annual retainer to \$20,000. The retainer for the Chairman of the Board was increased to \$50,000 and Committee members will now be paid an additional annual retainer of \$5,000.

DIRECTOR'S COMPENSATION FOR FISCAL 2007

Name	Board Retainer \$	Committee Chair Retainer \$	Board Attendance Fee \$	Committee Attendance Fee \$	Total Fees Paid \$
Russell Baranowski	10,000	N/A	7,000	N/A	17,000
Michael Blair	10,000	N/A	7,000	5,000	22,000
Andrew Brenton ⁽¹⁾	0	N/A	0	0	0
Garth Davis ⁽¹⁾	0	N/A	0	N/A	0
Henry Knowles	10,000	10,000	6,000	4,000	30,000
R. Peter McLaughlin	10,000	N/A	7,000	5,000	22,000
James Rodgers	10,000	N/A	7,000	N/A	17,000
Rae Wallin	50,000	N/A	7,000	5,000	62,000

⁽¹⁾ Directors' fees for Messrs. Brenton and Davis are paid directly to Scotia Merchant Capital Corporation.

Directors are also reimbursed for incidental costs associated with attendance at Board meetings. Directors participate in the Automodular Stock Option Plan although no options were granted to Directors in the year ended December 31, 2007.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (within the meaning of National Instrument 51-102 "Continuous Disclosure Obligations", which definition includes, among others, executive officers, directors and insiders) of the Corporation, no nominee for election as a director of the Corporation and no associate or affiliate of any informed person or nominee for election as a director of the Corporation has or had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries, except for the following:

- (a) In July, 2006, the Corporation completed a secured \$6 million financing with Roynat Inc., a wholly-owned subsidiary of The Bank of Nova Scotia which also owns 100% of Scotia Merchant Capital Corporation ("**SMCC**"). At the time, SMCC exercised control or direction over 39.9% of the issued and outstanding common shares of the Corporation (see "Principal Holders of Voting Shares"). Andrew Brenton and Garth Davis, directors of the Corporation, were then Managing Partner and Partner, respectively, of SMCC (see "Election of Directors"). Each of Mr. Brenton and Mr. Davis declared their interest in the transaction and refrained from voting on the matter. The financing was used for the purchase of capital assets required for the Corporation's new program for Ford Motor Company of Canada Limited in Oakville, Ontario. This credit facility is being repaid over a six-year term at an interest rate of approximately 8% per annum. Roynat Inc. earned customary banking fees.
- (b) In October, 2007, the Corporation and the Bank of Nova Scotia ("**BNS**") entered into an amended and restated credit agreement dated October 5, 2007 amending the credit agreement regarding credit facilities extended to the Corporation on January 31, 2003. BNS owns 100% of SMCC. Andrew Brenton and Garth Davis, directors of the Corporation, were formerly Managing Partner and Partner, respectively, of SMCC (see "Election of Directors"). Each of Mr. Brenton and Mr. Davis declared their interest in the transaction and refrained from voting on the matter.
- (c) In November, 2007, the Corporation and SMCC ("**the Selling Shareholder**"), entered into an agreement with a syndicate of underwriters led by GMP Securities L.P. and including Canaccord Capital Corporation ("**the Underwriters**"), pursuant to which the Underwriters agreed to purchase, on a bought deal basis, 3 million common shares from the Company and 3 million common shares from the Selling Shareholder at a price of \$2.00 per share for aggregate gross proceeds to the Company of \$6 million and to the Selling Shareholder of \$6 million. The Underwriters also had the option, exercisable for a period of 30 days following the closing date, to purchase up to an additional 900,000 common shares from the Company on the same terms and conditions. This option was exercised. The net proceeds from the treasury offering will be used by the

Company for working capital and general corporate purposes. The Company did not receive any proceeds from the secondary offering by the Selling Shareholder. Each of Mr. Brenton and Mr. Davis declared their interest in the transaction and refrained from voting on the matter.

COMPOSITION OF COMPENSATION COMMITTEE

The Board of Directors does not have a Compensation Committee. The Board of Directors oversees the Corporation's compensation of senior officers and, in consultation with the Chief Executive, ensures that compensation policies and practices are designed that recognize and reward performance and at the same time create shareholder value over the long term.

REPORT ON EXECUTIVE COMPENSATION

All matters relating specifically to senior executive compensation are reviewed and approved by the full Board. The following report has been submitted with the unanimous approval of the Board of Directors.

Executive Officer Compensation Policy

The Chief Executive Officer makes recommendations to the Board with respect to compensation of the Corporation's executive officers and the Board gives final approval on compensation matters. The Corporation's policy is to recognize and reward individual performance as well as to provide a competitive level of compensation.

The components of Automodular's total compensation for its executive officers are:

1. **A competitive base salary.**

Base salaries of executive officers are determined based upon performance and are intended to attract and retain executives and senior management required for the success of the Corporation; to motivate performance; to provide fair and competitive compensation; and to reward individual performance and contribution to the achievement of the Corporation's objectives. Base salaries are reviewed annually and are validated against comparable positions in companies of similar size and industry and growth strategy.

2. **Short-term incentives in the form of a variable annual bonus plan based on the responsibilities of the officer and the achievement of objectives.**

The executive officers participate in an annual bonus plan. The purpose of this plan is to provide these key employees with an incentive to increase the growth and profitability of the Corporation and to offer a cash reward based on the achievement of performance objectives derived from the Corporation's strategic plan, as reflected in the annual operating budget. Annual targeted bonus entitlements range from 30% to 40% of base salaries, depending on the position held. Actual awards are contingent upon the achievement of the performance objectives of the Corporation and the executive's contribution to the achievement of those performance objectives. In the event the Corporation's performance objectives are not met, no cash bonuses are awarded.

3. **A Performance Share Unit Plan for designated participants of Automodular and its subsidiaries.**

In order to promote further alignment of the interests of the Company's senior executives and its shareholders, Automodular will contribute funds to a trustee from time to time for the purchase of shares of Automodular in secondary markets. If performance targets specified annually are met, designated senior executives will become entitled to receive Automodular shares held in trust, subject to the vesting requirements under the Plan.

4. **A benefits package providing the officer with protection in the event of death or disability, as well as medical and dental plans.**

5. **A stock option plan.**

No executive officer was granted options during fiscal 2007.

CHIEF EXECUTIVE OFFICER COMPENSATION POLICY

The components of the Chief Executive Officer's compensation are the same as for the other executive officers of the Corporation except that the Chief Executive does not participate in the Performance Share Unit Plan. The Chief Executive is the sole participant in the defined benefit pension plan established by the Corporation. The Board of Directors considers the compensation package of the Chief Executive Officer to be competitive.

The performance of the Chief Executive Officer is measured against the non-financial tasks detailed in his job description as well as the quantitative objectives detailed in the Corporation's operating budget. Specific areas referenced are:

- Consolidated earnings from operations before interest, amortization and taxes
- Consolidated net earnings
- Reduced corporate overhead
- Acquisitions and expansions

The Board of Directors awarded a cash bonus to the Chief Executive Officer in 2007. Bonus consideration for the Chief Executive Officer is established annually based on the budget for the following year and utilizes a formula of budgeted net earnings and capital expenditures.

Respectfully submitted March 6, 2008

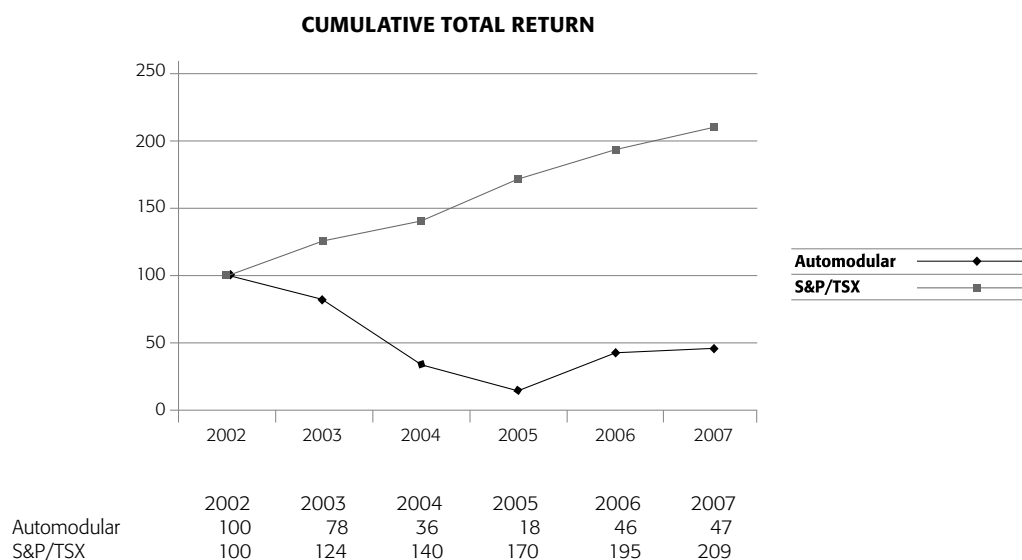
Russell M. Baranowski
Michael F. Blair
Andrew Brenton

Garth Davis
Henry J. Knowles
R. Peter McLaughlin

James Rodgers
Rae E. Wallin

PERFORMANCE GRAPH

The following compares the total cumulative shareholder return for \$100 invested in common shares of the Corporation on December 31, 2002 with the cumulative return of the S&P/TSX Composite Stock Index for the five most recently completed financial years.



Part Four: Corporate Governance and Other Information

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation has adopted a series of guidelines, policies and procedures that comprise its corporate governance framework. The Corporation's corporate governance practices are regulated by a number of regulatory bodies and are influenced by emerging concepts of best practices.

National Instrument 58-101 Disclosure of Corporate Governance Practices, which came into effect June 30, 2005, requires each listed company to disclose on an annual basis its approach to corporate governance. The Corporation's disclosure with respect to the guidelines is set out in Schedule "A" to this Information Circular. The disclosure statement has been approved by the full Board.

The Corporation understands that corporate governance standards and requirements are continually evolving. The Board of Directors has been charged with monitoring corporate governance regulatory developments, in particular the best practices and governance recommendations of the Canadian Securities Administrators as set out in National Instrument 58-102 Corporate Governance Guidelines, and with reviewing the Corporation's corporate governance policies and procedures in light of these developments.

BOARD COMMITTEES

The Corporation has an Audit Committee consisting of independent directors and the current members are Andrew Brenton, Henry J. Knowles, R. Peter McLaughlin and Rae E. Wallin. The charter of the Audit Committee of the Corporation is appended as Appendix "A" to the Annual Information Form of the Corporation dated March 6, 2008 and additional disclosure relating to the Audit Committee is found in the section in the Annual Information Form entitled "Audit Committee Disclosure".

The Corporation no longer has a Corporate Governance and Nominating Committee. The Board is of the view that effective corporate governance practices are fundamental to the long-term success of the Corporation and as such, issues of corporate governance should be the responsibility of the full Board. The Board does not have an Executive or Compensation Committee. All significant operating and executive compensation matters are presented directly to the Board for review, discussion and approval.

AVAILABILITY OF INFORMATION

Additional information relating to Automodular can be found on SEDAR at www.sedar.com or on Automodular's website www.automodular.com. Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis ("MD&A") for the 2007 financial year. Securityholders may obtain copies of this Information Circular, the Annual Information Form and the Annual Report containing the MD&A and the audited comparative financial statements for the most recently completed financial year from the Corporation's head office, 20 Toronto Street Suite 420, Toronto Ontario, Canada M5C 2B8: telephone 416.861.0662x221 or e-mail invest@automodular.com.

The information contained in this Information Circular is given as of March 6, 2008. Management of the Corporation knows of no matter to come before the Meeting, other than the matters referred to in the accompanying Notice.

BOARD APPROVAL

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Corporation.

BY ORDER OF THE BOARD OF DIRECTORS

Christopher S. Nutt [signed]
Vice-President Finance & Chief Financial Officer
Toronto, Canada
March 6, 2008.

Schedule "A"

NATIONAL INSTRUMENT 58-101 DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

1. BOARD OF DIRECTORS

a. Disclose the identity of directors who are independent.

The Board considers Andrew Brenton, Garth Davis, Henry J. Knowles, R. Peter McLaughlin, James Rodgers and Rae E. Wallin to be independent within the meaning of section 1.4 of MI 52-110 (Audit Committees).

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

Michael Blair, Chief Executive Officer of the Corporation and Russell Baranowski, President of the Corporation until his retirement in June, 2005, are not considered independent by virtue of being a member, or former member, of management.

c. Disclose whether or not a majority of directors are independent.

The Board consists of 8 members, 6 of whom are independent within the meaning of section 1.4 of MI 52-110 (Audit Committees).

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 issuer.

The following Directors are also directors or trustees of other reporting issuers.

Name of Director	Reporting Issuer
Michael F. Blair	Bennett Environmental Inc. Dominion Citrus Income Fund Dominion Citrus Limited
Andrew Brenton	Cinram International
Henry J. Knowles	Adamant Energy Inc. Dominion Citrus Income Fund Dominion Citrus Limited Premier Gold Mines Limited Samuel Manu-Tech Inc.
R. Peter McLaughlin	Dominion Citrus Income Fund Dominion Citrus Limited
Rae E. Wallin	Dominion Citrus Income Fund Dominion Citrus Limited

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 hold meetings without management and non-independent directors as standard procedure. Directors also have the resources to engage outside consultants to review matters on which they feel they require independent advice. During 2007, *in camera* meetings of the independent directors were held after each regularly scheduled board meeting. The Audit Committee also holds *in camera* meetings with the external auditors.

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 nor a lead director who is independent, describe what the board does to provide leadership for its independent directors.

Rae Wallin, an independent Director, is Chairman of the Board. The Board of Directors as presently constituted, facilitates effective decision-making. The Chairman chairs all meetings of the board as well as meetings of the independent Directors and annual meetings of shareholders. The Chairman's role is to encourage open and frank discussion among the Directors and to ensure that the committees of the Board discharge their responsibilities to the Corporation and the shareholders.

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.

Director	Meetings Attended
Russell Baranowski	7 of 7
Michael Blair	7 of 7
Andrew Brenton	7 of 7
Garth Davis	7 of 7
Henry Knowles	6 of 7
R. Peter McLaughlin	7 of 7
James Rodgers	7 of 7
Rae Wallin	7 of 7

2. BOARD MANDATE

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

Automodular's written charter of the Board of Directors is set out below:

As set out in the Business Corporations Act, Ontario, the Board of Directors manages the business and affairs of the Corporation in strict compliance with applicable laws and in accordance with the By-Laws of the Corporation.

STRATEGIC DIRECTION

- Long-term goals and planning
- Risk management
- Promotion of the company's purpose and values

SUCCESSION AND LEADERSHIP DEVELOPMENT

- CEO and management succession
- Leadership and key talent development

PERFORMANCE EVALUATION

- Progress and impact of strategic initiatives
- Execution and business results

CONTROL & TRANSPARENCY

- Leading governance practices
- Accountability to all shareholders
- Strong, independent Board and Committees
- Integrity of controls and information systems
- Social responsibility

ORGANIZATION AND FUNCTIONING OF THE BOARD

a) Duties and Responsibilities

The Board of Directors is elected by the shareholders of the Company, and owes duties to act scrupulously in the best interests of the Corporation. Where the interests of the Corporation and the interests of its shareholders do not coincide, a director's duty is to the Corporation. Directors shall work to protect and enhance the assets of the Company in a way that is consistent their duties, which should result in long-term value for all shareholders.

b) Board Composition

The following guidelines have been established regarding Board composition:

- The Board should be composed of no more than 10 members.
- The Board should be composed of a majority of individuals who qualify as unrelated directors. While the Company has significant shareholders, the Board should include a number of directors who do not have interests or relationships with either the Company or the significant shareholder and which fairly reflects the investment of the Company by shareholders other than the significant shareholder.

- Composition of the Board should reflect business experience compatible with the Company's strategic and business objectives with consideration to geographic regions of operation.
- The Chairman's and CEO's roles should be separate.
- Directors must submit their resignation if they change their principal employment as a change of position could alter the individual's suitability as a director. A decision will then be made if it is in the best interest of the Company to ask the director to stay.
- Each outside director will be expected to serve for a minimum term of three years, subject to ongoing evaluation and annual shareholder re-nomination.

Definitions:

Directors are considered "unrelated", "related", "inside" or "outside" on the following basis:

- Unrelated Director**
An unrelated director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interest of the Company, other than interest and relationships arising from shareholding.
 - Related Director**
A related director is a director who is not an unrelated director or is a member of management.
 - Inside Director**
An inside director is a director who is a member of management, elected to bring internal expertise and understanding of the business to the Board. The role of an inside director is to bring first hand knowledge of the business to the decision-making process of the Board.
 - Outside Director**
An outside director means a director who is not a member of management.
- c) Strategic Plan, Business Plan and Capital Plan*
The Board has delegated to the CEO and the senior management the responsibility to develop strategic and annual business and capital plans for the Company. It is the Board's responsibility to review and question not only the plan's effectiveness in increasing shareholder value but also the Company's ability to achieve the plans

and the resources required. The Board also monitors the performance of management relative to the strategic and business plans and the capital plan.

d) *Role of Committees*

The Board has appointed certain directors to committees to assist the Board in carrying out its duties. The committees do not replace or supplant the board, but will typically report to the Board and recommend actions arising from their work. Where appropriate, and where time does not permit convening a meeting of the Board, committees will have the power to take action on behalf of the Board.

e) *Matters Requiring Board Approval*

Management is required to obtain the approval of the Board (or a Board Committee where appropriate) in respect of the following matters:

Financial Matters:

Approval of:

- Strategic plan
- Annual business and capital plans, presented as an annual budget
- Annual financial statements and auditors' report
- *Quarterly earnings and press release
- *Capital expenditures in excess of \$1 million (outside approved capital plan)
- Acquisitions and divestitures
- Significant refinancing initiatives
- Dividend policy
- Share issuances and share repurchase programs

Human Resources:

Approval of:

- Appointment, compensation, succession, or dismissal of CEO
- *Executive compensation schemes and incentive plans
- *Employment agreements and termination agreements of senior officers, as such are defined in the Securities Act (Ontario).

Administration/Compliance:

Approval of:

- Appointment of Board Committees
- Nomination of Directors
- *Recommendation of auditors to the shareholders
- Proxy circular and Annual Information Form
- Appointment of Chairman
- *Major policies

¹Board may delegate to Committees. Approval matters delegated to Board Committees (e.g. employment or termination of senior officers) may require quick resolution (i.e. they cannot wait until the next Board or Board Committee meeting). In these cases, the CEO will consult with the Chair of the relevant Board Committee prior to implementing the relevant decision.

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.*

The Board has written position descriptions for the Chairman of the Board and the Chairman of the Audit Committee.

Chairman of the Board:

The Corporation's Chairman is a duly elected, independent member of the Board of Directors appointed by the Board following the annual meeting of shareholders. The Chairman has a responsibility to the Corporation and the shareholders in accordance with best practices of corporate governance. The Chairman's responsibilities include:

- providing leadership to the directors
- acting as liaison between management and the Board
- setting the agenda of upcoming board meetings with the corporate secretary
- ensuring that all of the business set out in the agenda is discussed and brought to resolution, as required
- ensuring that all meeting materials are delivered to the directors on a timely basis
- ensuring that the Directors have the opportunity to meet separately without management being present, on a regular basis.

Chairman of the Audit Committee:

Members of the Audit Committee are appointed by the Board and the Chairman of the Audit Committee is designated by the Board from among those members. The Audit Committee Chairman's role is to ensure the Committee discharges its responsibilities under its mandate and provides assistance to the Board in fulfilling its legal and fiduciary obligations and acts on behalf of the Audit Committee in resolving outstanding issues with the auditors, legal counsel and management with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation and its subsidiaries.

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 of Directors has developed a written position description for the Chief Executive Officer. The Chief Executive Officer reports to the Chairman of the Board of Directors and has executive authority over the Corporation, its officers and staff. The Chief Executive assists the Corporation in all respects in meeting the objectives of the Corporation and, without limiting the generality of the foregoing, provides the following services:

- acts as Chief Executive Officer for the Corporation in respect of all aspects of the business and affairs of the Corporation;
- hires, pays, supervises and administers compensation and benefits for all personnel required by the Corporation including administering compensation and benefits for Company officers by participating as a member of the Board of Directors;
- provides executive services to the Corporation;
- presents an annual business plan, including a strategic and operational plan and budget to the Board of Directors for approval by such Board;
- implements the business plan as approved by the Board of Directors including the provision of relevant information to the Board from time to time and recommendations regarding the approved plans and budget of the Corporation;
- generally represents the Corporation to the public and the media.

4. ORIENTATION AND CONTINUING EDUCATION

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

(i) the nature of the board, its committees and its directors; and

(ii) the nature and operation of the issuer's business

The Board does not have a formal orientation policy. New Directors, when added, are provided with an information package, including sufficient historical data to become familiar with the Corporation and its operating facilities and sufficient information to familiarize themselves with the procedures of the Board. All Directors are regularly given the opportunity to visit the Corporation's operating facilities with management and to interact with and request briefings from management in order to familiarize themselves with the business of the Corporation. Senior

members of management attend the regularly scheduled board meetings and make presentations to the Board at those meetings.

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

The Board does not have a formal continuing education program for its Directors. All Directors are encouraged to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters as well as to become members of the Institute of Corporate Directors. Automodular reimburses Directors in full for all continuing education courses. Each of the current members of the Board is an experienced director who is fully aware of his responsibility to maintain the skill and knowledge necessary to meet his obligation as a director. Directors have the resources to engage outside consultants to review matters on which they feel they require independent advice.

5. ETHICAL BUSINESS CONDUCT

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

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

Automodular has adopted a written Code of Business Conduct and Ethics which affirms the Company's commitment to business practices in accordance with applicable laws, rules and regulations and high ethical and professional standards. Automodular also had adopted a written Corporate Disclosure Policy, which addresses corporate disclosure on a timely basis, confidentiality and insider trading as well as a Sexual Harassment Policy. These policies can be viewed on the Corporation's website at www.automodular.com. The Code of Business Conduct and Ethics can also be viewed on the SEDAR website at www.sedar.com. Copies can be obtained from Automodular's Corporate Secretary at 20 Toronto Street Suite 420 Toronto ON M5C 2B8, telephone 416.861.0662.

(ii) *disclose 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:*

The Board of Directors is responsible for overseeing the Corporation's disclosure practices and ensuring implementation and adherence to the disclosure policy. The Board would oversee the investigation of any alleged breach of the Code of Business Conduct and Ethics and support management in encouraging and promoting a culture of ethical business practices. The Board reviews and updates, if necessary, this disclosure policy on an annual or as needed basis. Automodular's core values as well as its Whistleblower Policy are posted in each of its operating facilities and all employees receive copies of the quality policy statement and the health and safety policy in their Employee Handbook. Health and safety and quality policies are monitored by the Health and Safety Committee and the Quality Manager who report back to the Board through the Vice-President of Operations.

(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 has not granted any waiver of the Code of Business Conduct and Ethics. No report has been filed.

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.*

The Corporation's governing statute and its by-law states that every director of the company who is in any way directly or indirectly interested in a contract or a proposed contract with the Corporation shall declare his interest at a meeting of the directors of the corporation. Such a declaration should be made at the meeting of directors at which the question of entering into the contract is first considered, if his interest then exists, or in any other case at the first meeting of directors after the acquisition of his interest and no director shall as a director vote in respect of any contract or arrangement in which he is interested as aforesaid, and if he does so vote, his vote shall not be counted. Any board materials referencing the contract in

questions will be redacted for the director concerned and he will absent himself from all board discussions.

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

In order to avoid the potential for disclosure or the perception or appearance of disclosure, the Corporation observes a quarterly quiet period as well as a blackout period during which informed persons are prohibited from discussing material or non-public material or trading in securities of the Corporation

6. NOMINATION OF DIRECTORS

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

Individual members of the Board have the responsibility for recruiting and recommending candidates for election as directors when necessary and assessing their qualifications. Candidates are then interviewed by the full Board.

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, because of its small size, does not have a nominating committee or a formal process to nominate new members. The Board as a whole remains responsible for nominating new members of the Board following formal and informal discussions among Board members and the Chief Executive Officer

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

The Board does not have a nominating committee.

7. COMPENSATION

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

Director's compensation is reviewed on an annual basis by the full Board. The Board has determined that the current compensation compensation did not fully reflect the increased responsibilities of the Directors and accordingly amended the fee structure effective January 1, 2008 (see

earlier disclosure). With respect to determination of the compensation of the Corporation's officers, please refer to the Report on Executive Compensation in the main body of the Management Information Circular.

- b. *Disclose whether or not the board has a compensation committee comprised 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 does not have a compensation committee. Activities related to executive compensation and human resources are referred to the full Board and are accepted as responsibilities of the Board. The Directors meet in camera to review compensation of the Chief Executive Officer.

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

The Board does not have a compensation committee.

- d. *If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.*

N/A

regularly conducted, describe how the board satisfies itself that the board, its committees and its individual directors are performing effectively.

The Chairman of the Board assesses, on an annual basis, the effectiveness of the Board as a whole and the contribution of individual directors. The Chairman annually reviews the composition of the Board including the appropriate skills and characteristics required of the directors in the context of the business experience and specific areas of expertise of each current director. The Chairman ensures the Board can function independently of management and monitors the working relationship of the Board with management.

8. OTHER BOARD COMMITTEES

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

The Board has no standing committees other than the Audit Committee, the activities of which are described earlier in this Schedule

9. ASSESSMENTS

Describe whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are not



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