

October 25, 2007



## **HUMAN RESOURCES AND COMPENSATION COMMITTEE**

### **STRUCTURE AND AUTHORITY**

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The Human Resources and Compensation Committee (the Committee) is a Committee of the Board of Directors (the Board) of Samuel Manu-Tech Inc. (the Corporation). The Committee shall comprise of three independent Directors and the Chairman and CEO to meet the requirements of National Instrument 58-100, Section 3.15. The members' terms of appointment shall coincide with the terms of appointment of other Board Committees and provide for continuity of membership while, at the same time, allowing for fresh perspectives to be added.

The Committee will meet at least twice per year or more often at the request of the Chairman or any member of the Committee.

The Chairman has the authority to hire and compensate any outside advisor deemed necessary or advisable to permit it to carry out its duties.

The full Board will be kept informed of the Committee's activities by a report following each Committee meeting.

### **RESPONSIBILITIES**

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As related to Human Resources, the Committee will:

- In concert with the Chairman and CEO determine, at the Corporate level, an organizational structure to meet the Corporation's present and potential needs in a matter which is effective and efficient, both operationally and financially.
  - In consultation with the Governance Committee, determine the position descriptions for the Chairman and CEO, the Chief Operating Officer and the Chief Financial Officer.
  - Review for Board approval the appointment of all officers of Samuel Manu-Tech Inc.
  - Establish parameters for senior management, regarding employment and union contracts, including termination clauses and/or settlements.
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**Responsibilities (Cont.)**

- In the overall, regularly review management's performance against the Corporation's Employment Policy and Practice which should include, but not limited to, annual performance reviews and discussion, safe and harassment-free work environments, opportunity for training and personal development and a complaints process which, if circumstances demand, has access to the HR Committee, all on a basis of anonymity and reprisal-free.

As for compensation, the Committee will:

- review the major compensation strategies and policies of the Corporation and its subsidiaries and administer the Corporation's executive compensation program including any incentive programs for senior personnel and Directors. Ensure that such compensation realistically reflects the responsibilities and risks involved and is competitive with other leading organizations within like manufacturing industry;
- review and recommend, for approval of the Board, the Corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO") and evaluate the performance of the Chairman and CEO in light of those goals and objectives in respect to the CEO's level of remuneration;
- recommend to the Board non-CEO Officer and Director compensation, incentive compensation plans and equity-based plans;
- review with the Corporate Pension and Benefits Committee, all benefit plans, pension arrangements and the Corporation's pension plan performance in conjunction with the Audit and Finance Committee of the Board;
- review the Corporation's Stock Option Plan and recommend any grants thereunder;
- review any and all other executive short and long-term incentive compensation programs; and
- review executive compensation disclosures before the Corporation publicly discloses such information.

In the course of the Committee fulfilling its responsibilities, only the independent Directors will vote on compensation issues.