

**AIRBOSS OF AMERICA CORP.**

**ANNUAL INFORMATION FORM  
For the year ended December 31, 2003**

**March 25, 2004**

**AIRBOSS OF AMERICA CORP.**  
**ANNUAL INFORMATION FORM**  
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## **Rider X**

Certain of the information contained in this Annual Information Form has been obtained from publicly available information from third party sources. The Company has not verified the accuracy or completeness of any information contained in such publicly available information. In addition, the Company has not determined if there has been any omission by any such third party to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information contained in such publicly available information has been furnished or which may affect the significance or accuracy of any information contained in any such information and summarized herein.

## **Rider Y**

### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements contained in the Annual Information Form constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements that may be expressed or implied by such forward-looking statements to vary from those described herein. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. The Company does not intend, and does not assume any obligation, to update these forward-looking statements.

## THE CORPORATION

### **Incorporation**

AirBoss of America Corp. (“AirBoss” or, the “Corporation”, or the “Company”) was formed under the *Business Corporations Act* of Ontario upon the amalgamation of Greenstrike Gold Corp. and 846241 Ontario Limited under the name “IATCO Industries Inc.” on October 13, 1989. The articles of amalgamation were amended by articles of amendment filed on April 18, 1994 to change its name to “AirBoss of America Corp.” On December 31, 1996, the Corporation, through its subsidiary ITRM Inc., purchased substantially all the assets of International Technical Rubber Manufacturing Inc. ITRM Inc. was amalgamated with AirBoss on July 1, 1998. AirBoss maintains its registered office at 200 King Street West, Suite 2300, Toronto, Ontario, M5H 3W5.

### **Subsidiaries**

AirBoss operates a manufacturing division, has four direct and indirect wholly-owned subsidiaries and interests in two joint ventures.

AirBoss, through its AirBoss Rubber Compounding division (“ARC”) (formerly ITRM division), is engaged in the custom rubber mixing business, supplying mixed rubber for use in the transportation and industrial rubber parts manufacturing, including mining, military, automotive, conveyor and other products, primarily in North America.

AirBoss Moulding Division, located in the ARC facility in Kitchener, manufactures non-pneumatic tires (“AirBoss tires”) for sale by AirBoss Polymer Products Corp. and moulded rubber products for the military and rail transportation industries.

AirBoss Polymer Products Corporation (“APPC”) is a corporation incorporated in the State of Michigan. APPC sells, services and assembles non-pneumatic tires (“AirBoss tires”).

A.P.P.C. owns 100% of AirBoss Railway Products, Inc. a railway product sales and product development company headquartered in Kansas City, Missouri.

Acton International Inc. (“Acton”) of Acton Vale, Quebec, acquired in April, 1999, is a world leader in the development of protective rubber wear for military and civil applications. Acton also produces a line of industrial and consumer footwear and rubber industrial parts. See “Narrative Description of the Business, Acton International Inc.”

Black Diamond Rubber Fireboots Inc. (“BDRF”) of Syracuse, New York was incorporated in May 2002 to distribute firefighter boots produced under the Black Diamond label by Acton International Inc.

629096 Saskatchewan Ltd. is 50-50 joint venture with Ralph McKay Industries Inc. and AirBoss of America Corp. formed in June, 1999. The joint venture was created to manufacture railway fastening clips, which are distributed exclusively by AirBoss Railway Products Inc. The joint venture operates its manufacturing facility in Saskatchewan at the Ralph McKay Industries site and commenced operations in January 2001.

The chart in Appendix I illustrates the corporate structure of the Corporation as at March 25, 2003.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### **Business Segments**

#### *Description*

The Company is comprised of three significant business segments, each of which has a separate operational management. They are Custom Rubber Compounding, Engineered Products, which is divided into Railway and Distribution, and, Acton and Other.

### **Custom Rubber Compounding**

#### *Description*

The Company’s AirBoss Rubber Compounding division (“ARC”) (formerly ITRM division) is in the custom rubber mixing business. ARC supplies mixed rubber for use in the conveyor belt, transportation and other industrial rubber parts manufacturing industries. ARC manufactures compounds based on synthetic or natural rubber for a wide variety of customers in North America. Formulas are either developed by ARC’s technical staff for specific customer requirements or are supplied by the customer.

The main advantage that the Company has over many of its competitors is the large capacity of its production equipment. This allows the Company to be price competitive due to larger batch sizes and shorter production cycles while providing the customer with compounds that are mixed twice (“double-pass mix”) instead of the customary single-pass mixes. This provides more homogeneous products, which are easier to mould, thereby reducing manufacturing costs and improving quality for its customers. Compound development is a key factor in both maintaining customer relationships and developing new business. The Company has established a complete compound development laboratory, which is separate from its extensive QC laboratory.

### *Market*

The market for the Company’s custom rubber compounds includes solid tire manufacturers and off-road tire retreaders, conveyor belting, roll covering, mining, automotive parts and other industrial rubber goods. Natural and synthetic rubber consumption declined in North America for the first time in 2000 to approximately 3,943 metric tonnes after having grown over several consecutive years. Consumption in 2000 over 2001, as estimated by the International Institute of Synthetic Rubber Producers, declined 10.8% and rose only 1.5% in 2002 over 2001. The same organization estimated that the 2003 consumption would increase 1.6% leaving overall consumption well below the 2000 peak. Final 2003 consumption statistics were not available at the time of filing.

### *Competition*

The Company’s largest competitor with facilities in Canada is Biltrite Industries. The Company’s largest competitor in the United States is PolyOne, which operates five facilities with an estimated total capacity of 600 million pounds annually. Facilities in the United States, however, are generally smaller in manufacturing capacity and more specialized. Of the approximately thirty-two more significant competitors in the USA, those with capacities exceeding twenty million pounds annually, eighteen possess capacity below fifty million pounds, seven between fifty and one hundred million pounds and seven over one hundred million pounds. Capacity is a strategic variable governing the ability to produce competitively priced compounds and to sustain R&D activities. So too is location as freight costs and exchange rates impact a company’s cost competitiveness. The Company’s location in Kitchener, Ontario permits it to benefit from close proximity to the US and Canadian industrial heartlands, from favourable foreign exchange rates and from an efficient highway system.

The fiscal 2003 year was marked by very rapid increases in raw material costs, natural rubber, synthetic rubber and carbon black, which comprise 80% or more of the raw materials used in rubber production. Most raw materials are sourced on world markets and are US dollar-denominated. In 2003 the value of the US dollar fell by over 18%. The rise in raw material prices, although dampened by a weakened US dollar, still resulted in over all cost increases that were not offset by price increases. Accordingly, gross margins have declined in the compounding industry as a whole as well as in AirBoss.

### *Marketing, Sales and Distribution*

Rubber compounds are sold through in-house sales personnel, agents and technical representatives. The Company advertises in industry trade publications, the world-wide web and participates at trade conventions. The current customer base encompasses virtually all industrial rubber segments. The quality/cost benefits offered by the Company have been successful in maintaining existing non-OEM tire volumes and growing volumes in other rubber segments.

### *Manufacturing*

The mixing of custom rubber compounds for both internal use and sale to outside customers is done at the Company's facilities in Kitchener, Ontario (the 950,000 square foot former Uniroyal-Goodrich tire plant). The AirBoss Rubber Compounding ("ARC") division develops recipes to meet customers' specific requirements. ARC also produces rubber products using the customers' own recipes. The plant is ISO 9002 registered.

ARC maintains five mixers with an estimated mixing capacity of 200 million pounds annually although this will vary depending on the product mix. Four of the five mixers are new or have been substantially refurbished in the last four years.

During 2002 the Company completed the installation of an extruder in Kitchener, which will permit the Company to enhance the already existing capacity in Acton International Inc. to permit the manufacture of value-added rubber products.

With the purchase of Acton International Inc. in 1999, the Company acquired additional capacity. Most of the rubber compound produced at Acton is further processed by way of extrusion or calendaring to customer specifications.

### **Engineered Products – Railway and Distribution**

This business segment is comprised of AirBoss Railway Products Inc and AirBoss Polymer Products Inc. ("APPC").

## **Railway Products**

### *Description*

The Company's subsidiary, AirBoss Railway Products, Inc., designs, sells and services a complete line of rail fastening products. The primary products are plastic (polyurethane) pads and insulators, and metal rail fastening clips, which are used in the railway industry for track installations using concrete railway ties.

The Company maintains a strategy of being a complete rail fastenings systems provider. To this end it has continuously expanded its product line since its inaugural year, with shims, additional insulators and other products; and, the Company is a joint venture partner of 629096 Saskatchewan Ltd., (see Subsidiaries) for the manufacture of rail fastening clips. Railway clip manufacturing commenced in January 2001 and has grown steadily.

### *Market*

The market for the Company's railway fastening systems is heavy haulage railway lines in Canada and the United States although the fastening systems are suitable for and have been sold for all railway applications. The Company's railway fastening systems are currently used by three major North American railways. Heavy haulage railway lines have been constructed in recent years utilizing concrete ties instead of wooden ties to support the additional weight. Concrete ties require the use of a protective pad between the rail and the tie to prevent wear on the tie. The rails are resurfaced every four to ten years at which time the clips, pads and insulators must be replaced thereby sustaining, if not expanding, the railway fastening market. The sales pattern corresponds with the construction pattern which is affected by weather conditions, and which is therefore generally greater in the first six months of the calendar year than in the last six months. The Company is developing new fastening systems imbedded in the concrete ties which, when manufactured, will permit faster installation of rails at the track site.

### *Competition*

The Company's key competitor for railway pads and fastening systems is a subsidiary of a large foreign company. This company is much larger than AirBoss in the railway products business and also offers a complete line of track fastening products. There are also several companies manufacturing pads for light duty applications. The Company believes that the depth of its portfolio of fastening systems and its attention to product development, competitive pricing and customer service offers railway customers a competitive option to existing suppliers.

### *Marketing, Sales and Distribution*

Railway products are sold by AirBoss Railway Products, Inc. directly to its customers. AirBoss Railway Products, Inc. employs railway engineers who spend the majority of their time dealing directly with other engineers and purchasing personnel on matters of customer service and new product development.

### *Manufacturing*

Polyurethane pad manufacturing as well as all other components are sub-contracted to custom plastic injection moulding and metal stamping companies. The Company owns all product moulds and specialized tooling and enjoys patent protection on its newest systems. Rail fastening clips are manufactured by the Company's 50-50 joint venture 629096 Saskatchewan Ltd. (see Subsidiaries). These manufacturing arrangements provide the Company greater flexibility by allowing it to concentrate on product development in an ever-changing marketplace without concern for equipment obsolescence and the need to devote resources to production activities. Sub-contracting also often permits the Company to benefit from economies of scale as its orders often enhance the productivity of its suppliers.

### **AirBoss Polymer Products Inc. (“APPC”)**

APPC is headquartered in South Haven, Michigan where it serves as a customer service and distribution centre for the Company's non-pneumatic tire business, namely, AirBoss Moulded Products described under the Acton and Other business segment. It also provides a distribution service for Acton footwear sales in the US.

### **Engineered Products – Acton and Other**

The Acton and Other business segment is comprised of Acton International Inc., AirBoss Moulded Products and the Company's joint venture 629096 Saskatchewan Ltd.

### **Acton International Inc.**

#### *Business*

Acton is a manufacturer of military, industrial and commercial rubber footwear and industrial rubber products. Acton is a world leader in developing protective rubber wear for military applications. The footwear division (including military and firefighter footwear) historically has accounted for approximately one-half of sales while sales of industrial rubber products such as extruded rubber, calendered rubber (rubber coated fabric), cushion gum for tire retreads, and, a variety of compression moulded products have constituted the remaining sales.

## *Market*

Military Products – Acton’s Military Division (AirBoss Defence) sells military protective wear and rubber engineered products to armed forces world-wide. Specifically, Acton provides gas masks, rubber gloves, boots and overboots for military applications requiring protection against chemical, biological, radiological and nuclear (“CBRN”) contaminants. Acton also develops and supplies extreme cold weather footwear protection for military use. Acton develops and produces custom mixed and pre-formed rubber compounds for military tank track repair. The military typically engages Acton to develop and manufacture boots or engineered rubber products to its specifications. In certain cases, however, Acton’s own design has been specified. In over the twenty-five years that Acton has been in this business, it has produced or currently has contracts to produce military boots for more than twenty countries. The Acton military team is comprised of one division manager and several contract managers responsible for military sales supported by a number of agents around the world who represent the Company in countries such as Canada, U.K., U.S., Scandinavia and Western Europe.

Industrial Protective Wear – Acton sells its industrial footwear to three large customer groups: 1) distributors, 2) retailers, and, 3) cooperatives. Distributors are the largest group and sell to municipalities (firefighter boots), mining, logging, oil and gas companies amongst others. While many of Acton’s industrial footwear products can be used in a wide variety of industrial applications, a large number are made for use in a specific industry or application. Acton sells to its Canadian customers through its network of consumer boot representatives. Acton produces firefighter rubber protective footwear under private label production agreements for the US market. The Black Diamond Rubber Fireboot Inc. subsidiary in Syracuse, New York serves as a distribution base for the Black Diamond brand, Acton’s largest private label brand.

Commercial Protective Wear – Acton produces and sells winter boots, outdoor/wilderness footwear and urban overshoes. Acton concentrates on the “high end” market and promotes the technical advantages of its products, which use only rubber in their construction. Rubber is the best polymer thermal insulator and remains flexible, slip-resistant, waterproof and is far more resistant to cracking than less expensive plastics used by certain competitors and most imports. In Canada, Acton has nine sales representatives, two agents, one senior sales manager for consumer and industrial footwear sales and they are largely concentrated in eastern Canada. The sales representatives provide comprehensive training to retail store staff on the technical merits of Acton winter boots and overshoes. Acton has a large retail base with over 2,300 retailers selling the Company’s products. In the US market, Acton is represented by four sales agents for its commercial boots and its industrial boots, sold through retailers and wholesalers, as well as an export sales manager. The head office manages the marketing and sales of firefighter boots to US accounts

The commercial protective wear market has become increasingly competitive with the influx of Asian footwear. Virtually all domestic and American, manufacturers as well as large retailers import their footwear from Asia where the lower labour and overhead costs have rendered North American manufacture of non-specialty footwear uncompetitive. Acton rationalized product lines in both 2001 and 2002 and also initiated the importation of certain lines. These measures enhanced Acton margins but insufficiently to maintain the viability of the entire product portfolio. During 2003 Acton conducted an evaluation of its manufacturing assets devoted exclusively to commercial footwear and wrote down asset values by \$3.0 million as required by GAAP.

### *Industrial Products*

Acton's industrial division sells a wide variety of vulcanized and non-vulcanized products for the tire retreading, recreational vehicle and other industries. The products are sold everywhere in North America to major companies who require large-scale high volume calendered or extruded rubber products including re-inforced moulded products. The business is currently concentrated with 83% of the \$21 million in sales in 2003 being to three customers. The products are sold through one sales manager and the President of Acton as well as three commissioned agents for specific products.

### *Competition*

Acton's major Canadian-based competitors in the premium consumer and industrial market are Rally, Bata, Maple Leaf and Genfoot in the consumer market and Baffin, Viking Gerfoot and Terra in the industrial market. A wide variety of companies import footwear. Totes is the main competitor in urban overshoes. Competitors for military footwear include Nokia (Finland), Silvertown (U.K.) and Bekina (Belgium). The main competitors in industrial products are US-based custom rubber mixers who provide calendered and extruded products and a number of companies located in Quebec. These include American Biltrite (mixing, calendaring), Thona (mixing), PPD (mixing, extrusion, calendaring), Bauce Caoutchouc and Soucy-Baron (moulded products) and Soucy-Techno (mixing).

### **AirBoss Moulded Products (AMP)**

The AMP Division, housed within the ARC site in Kitchener was created as a manufacturing cost centre to produce non-pneumatic AirBoss tires for skid-steer loaders and tire segments previously manufactured in its South Haven, Michigan facility (AirBoss Polymer Products Inc.). It also produces all the injection moulded defense products sold by the AirBoss-Defense division of Acton International Inc. These products include NBC gloves, gas masks and overshoes.

## **629096 Saskatchewan Ltd.**

This is a 50-50 joint venture with Ralph McKay Industries Inc. created to manufacture railway fastening clips, which are distributed exclusively by AirBoss Railway Products Inc. (see Railway and Distribution).

## **Patents and Trade-Marks**

In addition to its licence rights in respect of AirBoss tires the Company has a patent with respect to one of its hybrid rubber/polyurethane designed railway pads for greater than 5° curved and sloped tracks which is believed by the Company to be cheaper than 100% polyurethane pads currently being used for the same purpose. The Company recently secured patents on a system that permits the pre-assembly of fastener clips to shoulders and on a concrete rail seat designed to deter rail seat abrasion. The Company is also in the process of securing patents for other newly designed fastening products.

## **Property and Equipment**

Management believes that all of the properties and equipment of the Company are in a condition satisfactory for its operations.

### *A.R.C. Division*

The Company's rubber mixing plant expanded its capacity to over 200 million pounds in 1999. Management believes the Company will have sufficient plant, property and capacity for its custom rubber mixing business. Management believes that the Company has sufficient plant, property and capacity to meet its needs for the AirBoss tires and railway businesses.

The Kitchener property includes approximately 950,000 square feet of manufacturing and warehouse space and 50,000 square feet of office space.

### *Acton International Inc.*

Acton's manufacturing operations are located within a 260,000 square foot Company owned facility on 12.7 acres of land in Acton Vale, Quebec. The factory operates on electricity and natural gas. The footwear division can manufacture 600,000 pairs annually based upon an eight hour daily shift. The key pieces of manufacturing equipment include a rubber mixer, a calender, two extruders and a slitting machine. The calender is capable of bonding rubber to both sides of a roll of fabric simultaneously. Acton also operates four rubber moulding injection presses located in the AMP division premises in Kitchener. These presses are used to manufacture gas masks and gloves for military applications.

*AirBoss Polymer Products Corporation (APPC)*

A.P.P.C. leases its facility in South Haven, Michigan where it assembles tires, stores tire components and provides a sales and distribution function for the AirBoss tire business. It also provides a distribution service for Acton footwear sales in the US.

*AirBoss Moulded Products Division (AMP)*

The AMP division is located within the ARC site in Kitchener and includes injection presses. The manufacturing site is in a satisfactory condition to meet current and projected future demands.

**Environmental Matters**

As the Company handles various hazardous chemicals in its manufacturing process, the Company is subject to environmental regulation by federal, provincial and local authorities.

Environmental assessments have been conducted on the Kitchener property. Commencing March 2001, the Company initiated various environmental assessments which resulted in further investigations, remediation and prevention efforts. Based upon the efforts to date and investigations by qualified external environmental professionals, the Company believes that no significant exposure exists and that the costs to remediate the areas of ongoing concern will not be significant to the financial resources of the Company. The Company has also secured liability coverage for environmental issues, which the Company believes to be appropriate for the nature of its operations.

Prior to closing the acquisition of Acton, Phase I and II investigations were completed which identified certain clean-up matters to be undertaken. The Purchase and Sale Agreement provides for the vendors to bear the costs of any clean-up in excess of \$50,000. The Company maintains an ongoing process, aided by additional environmental assessments from qualified external environmental professionals, to remediate areas of concern. The Company believes it will be successful in the remediation and the recovery of the remediation costs from the vendors. The Company also believes that the costs to remediate the areas of ongoing concern will pose no significant risk to the financial resources of the Company.

## Employees

Management believes that its relationship with its employees is very good. The Corporation's personnel at December 31, 2003 consisted of :

<u>Name of Company</u>	<u>No. of Employees</u>
AirBoss Rubber Compounding	284
Railway and Distribution	8
Acton and other	500
Corporate Office	<u>5</u>
Total	<u>797</u>

Approximately 350 of the Acton employees are unionized under a collective bargaining agreement, which expires on December 31, 2006.

## Raw Materials

All critical raw materials required by the Company, natural rubber in particular, are commodities readily traded in world markets. Synthetic rubber and carbon black costs are affected by world petroleum prices. To the best of the Company's knowledge the Company is not dependent on any single source for its raw materials.

## Research and Development

For the year ended December 31, 2003 the Corporation expensed \$1.4 million on sustaining product research and development and capitalized \$1.0 million of project costs for products, such as railway fastening systems, that will be sold in the near term and amortized over units sold.

## Sales to Significant Customers

During the financial year ended December 31, 2002, sales to five customers represented 39% (35% in 2002) of the consolidated sales of the Company. Of these customers, one represented more than 16% of sales (15% in 2002).

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

### Financial Data

The following selected financial information has been derived from the consolidated financial statements of the Corporation for each of the years ended December 31, 1999, 2000, 2001, 2002 and 2003. The 2003 information should be read in conjunction with the 'Management's Discussion and Analysis' and the consolidated financial statements and accompanying notes of the Corporation which are contained in its Annual Reports to the shareholders of the Corporation for the years then ended.

**(all amounts in thousands of dollars except for per share amounts)**

	<b>DEC 31/03</b>	<b>DEC 31/02</b>	<b>DEC 31/01</b>	<b>DEC 31/00</b>	<b>DEC 31/99</b>
Sales	\$175,870	\$182,685	\$169,201	\$138,038	\$120,111
Net income	\$(4,310)	\$3,577	\$3,218	\$2,746	\$7,404
Total assets	\$119,260	\$128,276	\$130,903	\$124,410	\$117,625
Long-term debt	-	\$24,006	\$28,995	\$20,397	\$26,073
Cash dividends declared	nil	nil	nil	nil	nil
Basic income - \$	(0.19)	0.16	0.14	0.12	0.35
Diluted income per share - \$	(0.19)	0.16	0.14	0.12	0.34

## Quarterly Financial Information

The following table is a summary of selected quarterly financial information of the Corporation for each of the eight quarters ended December 31, 2003 and 2002:

(all amounts in thousands of dollars except per share amounts)  
(unaudited)

Quarter Ended	Sales	Net Income	Net Earnings per Share Basic	Diluted
<b>2003</b>				
December 31	\$34,930	\$ (4,992)	\$ ( 0.22)	\$ ( 0.22)
September 30	45,301	133	0.01	0.01
June 30	47,123	608	0.03	0.03
March 31	48,516	672	0.03	0.03
<b>2002</b>				
December 31	\$45,556	\$ 684	\$0.03	\$0.03
September 30	47,924	1,026	0.05	0.05
June 30	45,497	1,093	0.05	0.05
March 31	43,708	754	0.03	0.03

## Dividend Record and Policy

The Corporation has not declared any dividends on its shares, as the Corporation expects to use available funds for general working capital purposes, to finance the development and expansion of its business and to meet its obligations.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATING RESULTS

Reference is made to the section entitled 'Management's Discussion and Analysis' on pages 4 to 17 of the Annual Report to the shareholders of the Corporation for the year ended December 31, 2003, which is incorporated by reference.

## CAPITAL STRUCTURE

The capital structure of the Company is comprised of an unlimited number of common shares. The number of shares outstanding as at December 31, 2003 was 22,536,923.

The capital structure also consists of an unlimited number of Class B preference shares without par value and issuable in series subject to the filing of articles of amendment. The directors may fix, from time to time before such issue, the number of shares that is to comprise each series and the designations, rights, privileges, restrictions, and conditions attaching to each series. The number of shares outstanding as at December 31, 2003 was NIL.

## MARKET FOR SECURITIES

The Common Shares are listed on The Toronto Stock Exchange (“TSX”) and trade under the stock symbol ‘BOS’.

Listed below is the trading history of the shares by month in 2003.

Date	Open	High	Low	Close	Volume
December-03	\$2.10	\$2.20	\$1.80	\$1.90	413,381
November-03	\$2.05	\$2.15	\$1.90	\$2.10	1,612,020
October-03	\$2.60	\$2.65	\$2.00	\$2.25	172,476
September-03	\$2.67	\$2.79	\$2.45	\$2.60	688,788
August-03	\$2.40	\$2.86	\$2.35	\$2.60	1,292,052
July-03	\$2.40	\$2.60	\$2.25	\$2.40	355,100
June-03	\$2.45	\$2.70	\$2.20	\$2.40	1,388,222
May-03	\$2.49	\$2.89	\$2.10	\$2.24	589,945
April-03	\$2.50	\$2.55	\$2.25	\$2.40	999,175
March-03	\$2.69	\$2.75	\$2.50	\$2.50	417,028
February-03	\$2.48	\$2.70	\$2.40	\$2.65	920,986
January-03	\$1.89	\$2.49	\$1.89	\$2.49	2,952,206

## DIRECTORS AND OFFICERS

The table presented below provides the names and municipality or residence, the office held with the Corporation and the principal occupation of each of the directors and senior officers of the Corporation and, with respect to each director, the year of his election as director.

<u>Name and Municipality of Residence</u>	<u>Position(s) with The Corporation</u>	<u>Principal Occupation (1)</u>	<u>Director Since</u>
P. Grenville Schoch (3) Aurora, Ontario	Chairman and Director	Chairman of the Corporation	1989
Robert L. Hagerman (2) Aurora, Ontario	President and Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation	1989
David A. Campbell Bracebridge, Ontario	Director	President of Acorn Equipment Rental Ltd. and principal of D.A. Campbell Consultants (construction planning and	1989

		supervision)	
Brian A. Robbins (2) Aurora, Ontario	Director	President and Chief Executive Officer of Exco Technologies Limited (a tooling manufacturing corporation)	1997
Robert L. McLeish (2)(3) Toronto, Ontario	Director	Private investor Vice Chairman and Director of Merrill Lynch Canada Inc. until November 1998	1999
Sandra S. Cowan (2)(3)	Director	Partner, EdgeStone Capital Partners	2002

- (1) Each director of the Corporation will hold office until the next annual meeting of shareholders or until his/her successor is elected or appointed.
- (2) Member of the Audit Committee. Mr. Robbins is the Chairman of this committee.
- (3) Member of the Compensation Committee. Mr. McLeish is the Chairman of this committee.
- (4) To the knowledge of the Corporation, as at March 17, 2003, all directors and senior officers as a group beneficially owned, directly or indirectly, or exercised control or direction over, approximately 18% of the Common Shares of the Corporation

### **ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, where acceptable, is contained in the Corporation's information circular for its annual meeting of shareholders to be held on May 12, 2004. Additional financial information is provided in the Corporation's comparative financial statements for the financial year ended December 31, 2003, which are included in the Corporation's 2003 Annual Report. A copy of such documents may be obtained upon request from the Secretary of the Corporation.

#### **Transfer agent and Registrar**

Computershare Investor Services, Inc., Toronto, Ontario

# APPENDIX 1

## AIRBOSS OF AMERICA CORPORATION

