



AUDIT COMMITTEE'S CHARTER

Preamble

The audit committee ("**Committee**") is a permanent committee of the Board of Directors of the Corporation ("**Board**"). Its principal function is to assist the Board in discharging its duties of monitoring the Corporation, by examining and insuring the integrity of the financial information, examining the internal control systems, the financial control and auditing processes. In the performance of its functions, the Committee shall maintain constructive and active relations with the Board, senior management of the Corporation, the internal auditors and the external auditors. The assistance provided by the Committee also concludes the presentation process of the financial information, the internal audit function, the annual independent audit of the financial statements of the Corporation, the choice of auditors and the other functions indicated in this charter. This charter also notably provides for the mandate, duties and powers of the Committee in compliance with *Regulation 52-110 concerning the audit committee* adopted by the Canadian Security Administrators.

At the date that this charter was approved, the shares of the Corporation are posted for trade at the TSX Venture Exchange and the rules for a venture issuer are used by the Committee.

1. Composition of the Committee

- 1.1 The Committee is composed by a majority of independent directors. All members of the Committee must be financially literate and at least one member must have related financial or accounting experience.
- 1.2 After each annual meeting of the shareholders, the Board must elect three or more directors who will form the Committee until the close of the next annual general meeting of the shareholders of the Corporation or until such a time as the member ceases to be a director, resigns or is replaced, whichever comes first. These members must respect the requirement of being independent and being financially literate as provided in applicable securities regulations. Any member may be relieved of their duties or replaced at any time by the Board.
- 1.3 The Board shall designate one of the members of the Committee as the chair of the Committee. If the chair of the Committee is absent from a meeting, the members of the Committee who are present shall chose amongst themselves a person who will chair the meeting.

2. Meetings of the Committee

- 2.1 Ordinary meetings of the Committee are held quarterly. Special meetings of the Committee may be called by the chair of the Committee, the external auditors, the chair

of the Board of the Corporation, the Vice-President Finance or at least two members of the Committee.

- 2.2 The powers of the Committee are exercised at any meetings where quorum has been attained. The quorum is composed of at least a majority of the members of the Committee. Questions are decided by the Committee by a majority of votes.
- 2.3 Notices calling each meeting of the Committee shall be remitted to each member, the external auditors, the chair of the Board of the Corporation, the President and the Vice-President Finance of the Corporation, all of whom have a right to attend said meeting. The notice calling each meeting must be also be remitted, as the case may be, to the internal auditor who must also attend the meeting whenever the chair of the Committee, or its secretary, request such attendance.
- 2.4 The notice calling the meeting may be given verbally or in writing, by fax, by telephone or by electronic communication no later than 24 hours before the time set for such meeting. The members may renounce to the notice calling the meeting. There is no requirement that the notice contain the object or objects for which the meeting is being held.
- 2.5 The external auditors and, as the case may be, the internal auditors and the Corporation's senior management, must periodically be granted the opportunity to meet separately with the Committee. In addition, the Committee may meet in camera, with only the members of the Committee present, when the Committee determine that it is appropriate.
- 2.6 The Committee must appoint a secretary who shall act as secretary of all meetings of the Committee and prepare minutes of each of the meetings and deliberation of the Committee.

3. Responsibilities of the Audit Committee, the Auditors and Senior Management

- 3.1 The principal role of the Committee is to monitor the process related to the presentation of the Corporation's financial information in the name of the Board and to report on its activities to the Board. Senior management of the Corporation is responsible for the preparation, the presentation and the integrity of the Corporation's financial statements, and the efficiency of the internal monitoring measures concerning financial information. Senior management and the internal audit service are responsible for maintaining in place the principles and policies related to adequate financial and accounting reporting as well as the internal controls and procedures that comply with accounting standards and applicable laws and regulations. The auditors are responsible for planning and the performance of the audit of the annual financial statements of the Corporation in conformity with generally recognised audit standards, and the performance of the instructions of the Board in regards to quarterly financial statements of the Corporation and the annual audit of the evaluation made by senior management on the efficiency of the internal monitoring measures related to the financial information and other audit procedures. The Committee shall establish, with senior management and with the auditors, that the auditors must answer to the Board and to the Committee as representatives of the shareholders of the Corporation. The Committee must also recommend the appointment of auditors to the Board and thereafter obtain the final approval of the shareholders. Once approved by the Committee, the auditors audit engagement letter shall be signed by the chair of the Committee in the name of the Corporation.

4. Functions and Powers of the Committee

- 4.1 The Committee is notably responsible for monitoring the financial information, the risk management and internal controls, and the internal auditors and the external auditors.
- 4.2 With regards to the monitoring of the financial information, the functions and duties of the Committee consists notably of:
 - 4.2.1 Verifying the quality and integrity of the accounting processes and of the process related to the presentation of the financial information, the control and communication procedures of the information and the internal control systems of the Corporation by way of discussions with senior management and the external auditors;
 - 4.2.2 Examining the following documents and recommending their approval by the Board prior to their communication to the public: any information document containing financial information, consolidated or not, audited or not, of the Corporation including: the interim and annual financial statements, the prospectuses, annual notices, the comments, reports and analysis of the senior management, press releases and forward looking results, etc;
 - 4.2.3 Examining changes brought to the conventions and practices adopted by the Corporation and discussing with, senior management and external auditors, the accounting and presentation rules and those rules proposed by regulatory organisations;
 - 4.2.4 Ensuring that there are no unresolved problems between senior management and the external auditors of the Corporation or other difficulties encountered by the external auditors that could have an impact on the financial statements;
 - 4.2.5 Reviewing the procedures in place to examine financial information extracted or derived from the financial statements, other than the information provided above, and to evaluate periodically the adequate character of such procedures;
 - 4.2.6 Reviewing with senior management and the external auditors:
 - 4.2.6.1 the presentation of the financial information of the Corporation according to generally recognized accounting principles; the proposed modification of accounting principles and conventions by the Corporation;
 - 4.2.6.2 the reasonable character of provisions, reserves and estimations that may have an important impact on the presentation of the financial information; and
 - 4.2.6.3 important decisions made in relation to the presentation of the financial statements; and
 - 4.2.7 Examining the impact that new regulatory and accounting measures, including off balance sheet structures, may have on the financial statements of the Corporation.
- 4.3 In regards to the monitoring of the risks management and internal controls, the functions and duties of the Committee consist notably of:

- 4.3.1 Obtaining from senior management a whole view of the risks, the principles, the procedures and the control measures related to the integrity and the presentation of the financial information;
 - 4.3.2 Examining with senior management:
 - 4.3.2.1 the risk management policy and the modifications that should be brought to such policy; the evaluation of important risks to which the Corporation is exposed; and
 - 4.3.2.2 the programs and processes used to manage and control the risk; the degree and tolerance the Corporation has to risk;
 - 4.3.3 Requesting that the senior management establish and maintain reliable internal control systems and examining the procedures put in place to evaluate the efficiency of such systems;
 - 4.3.4 Examining the processes related to attestations which must be included with all public information documents of the Corporation and discussing same with the President and Chief Executive Officer and the Vice-President, Finance, of the Corporation;
 - 4.3.5 Establishing procedures as described in the *Policy and Procedures to follow for the Submission of Complaints concerning Accounting, Internal Accounting Controls and the Audit* concerning the reception, the conservation and follow-up of complaints received regarding accounting, internal accounting controls, the audit and preoccupations transmitted by employees of the Corporation related to questionable practices in accounting or auditing;
 - 4.3.6 Ensuring that the confidential and anonymous nature of the communications is maintained;
 - 4.3.7 Examining the insurance protection of the Corporation in order to ensure its sufficiency;
 - 4.3.8 Examining and discussing with senior management, the internal auditors and the external auditors, the efficiency of policies and procedures that ensure the compliance with laws and regulations and with the Corporation's financial undertakings;
 - 4.3.9 Reviewing the list of important litigation of the Corporation including the measures taken by senior management in regards thereto; and
 - 4.3.10 Reviewing the tax planning having an important financial impact on the Corporation.
- 4.4 If applicable, with regards to the monitoring of internal auditors, the functions and duties of the Committee consist notably of :
- 4.4.1 Reviewing and approving annually, the charter for the internal audit;
 - 4.4.2 Ensuring that the internal auditor reports to the Committee;
 - 4.4.3 Reviewing and approving the annual internal audit plan;

- 4.4.4 Reviewing and analysing the reports, observations and important recommendations of the internal audit;
 - 4.4.5 Reviewing the actions of senior management following the recommendations of the internal auditors;
 - 4.4.6 Reviewing the independence of the internal auditors;
 - 4.4.7 Reviewing with the manager of the internal audit the difficulties encountered during said audit concerning the extent of its mandate and the access to information; and
 - 4.4.8 Reviewing all changes in regards to the extent of the internal auditors' draft audit.
- 4.5 In regards to the monitoring of the external auditors, the functions and duties of the Committee consist notably of :
- 4.5.1 Ensuring that the external auditors report directly to the Committee;
 - 4.5.2 Recommending to the Board the appointment or dismissal of external auditors and their remuneration;
 - 4.5.3 Examining and approving the engagement policies in relation to partners, employees and former partners and employees of the current and former external auditors;
 - 4.5.4 Holding exclusive authority in regards to the prior approval of all services related to the audit that the external auditors plan on supplying;
 - 4.5.5 Reviewing with the external auditors the external audit plan including the qualifications, independence and objectivity of the external auditors, including the written statements qualifying the relationship between the external auditors and the Corporation that could have an impact on the independence and objectivity of the external auditors and to recommend measures that should be taken by the Board to ensure the independence of the external auditors;
 - 4.5.6 Being directly responsible for the monitoring of the work of the external auditors engaged to established or deliver an audit report or render other audit examination or attestation services including the resolution of any disputes between senior management and the external auditors regarding the financial information;
 - 4.5.7 Discussing with the external auditors on the quality and not only the acceptability of the accounting principles, notably:
 - 4.5.7.1 the important accounting practices and conventions used;
 - 4.5.7.2 the treatment of other financial information that was the object of discussions with senior management, the extent of their use and the privileged treatment of such by the external auditors; and
 - 4.5.7.3 other important written communications between senior management and the external auditors;

- 4.5.8 Examining, once a year, the report prepared by the external auditors describing:
 - 4.5.8.1 its internal quality control procedures;
 - 4.5.8.2 all important question raised in relation to the internal quality controls (or controlled by third parties) of the external auditors' firm or of any requests for information or inquiries made by a governmental or professional authority for the past five years in relation to one or several independent audit assignments completed by the external auditors' firm and in regards to all measures taken to solve questions of this nature;
- 4.5.9 Reviewing the actions of senior management in regards to recommendations of external auditors; and
- 4.5.10 Ensuring that there is a rotation of the partner responsible for the audit assignment, the reference partner and other audit partners within the processes prescribed by the code of ethics of the order of chartered accountant of Quebec.

5. Powers of the Committee

- 5.1 The Committee has the power to hire external advisors, including legal advisors, if they determine that it is necessary for the exercise of its functions. The Committee has the power to establish the remuneration of the consultant it hires. The Corporation must supply the funds necessary for the remuneration of all advisors retained by the Committee.
- 5.2 The Committee has the power to communicate directly to the external and internal auditors.

6. Evaluation of the Committee's Performances

- 6.1 Each year, the Committee evaluates and examines its performance in cooperation with the corporate governance and candidacy committee.
- 6.2 The Committee reports on its mandate once a year to the Board.

7. Charter

- 7.1 Each year, the Committee must review this charter and propose changes to this charter to the Board, for the Board's approval.
- 7.2 This charter came into force on August 22, 2007.