NSTEIN TECHNOLOGIES INC.

NOTICE OF
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

To holders of common shares:

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of Shareholders (the **"Meeting"**) of Nstein Technologies Inc. (the **"Company"**) will be held on May 22, 2008, in the Jolliet suite of Fairmont The Queen Elizabeth Hotel, located at 900 René-Lévesque Boulevard West Quebec, Canada, at 10:30 a.m. (local time), for the following purposes:

1. To receive the consolidated financial statements of the Company for the year ended December 31, 2007, together with the auditors' report thereon;

2. To elect the directors for a term of one year;

3. To appoint auditors for a term of one year and authorize the directors to fix their remuneration;

4. To consider and, if deemed advisable, adopt the resolution, the full text of which is set forth in the Management Proxy Circular, approving amendments to the Company's Stock Option Plan;

5. To consider and, if deemed advisable, adopt the resolution, the full text of which is set forth in the Management Proxy Circular, approving amendments to the Company's Share Purchase Plan;

6. To consider and, if deemed advisable, adopt the resolution, the full text of which is set forth in the Management Proxy Circular, approving amendments to the Company's Deferred Share Units Plan; and

7. To transact such other business as may properly come before the Meeting.

Montreal, Quebec, Canada, March 28th, 2008.

By Order of the Board of Directors,

Stephanie Benoit, LL.B.
Legal Counsel and Corporate Secretary

Shareholders may exercise their rights by attending the Meeting or by completing a form of proxy. If you are unable to attend the Meeting in person, you are urged to complete, date and sign the enclosed form of proxy and return it in the envelope provided for that purpose. Proxies must be received by the transfer agent and registrar of the Company (CIBC Mellon Trust Company, 2001 University Street, Suite 1600, Montreal, Quebec, Canada H3A 2A6) no later than 5:00 P.M. on the last business day preceding the day of the Meeting or any adjournment thereof. Your shares will be voted as indicated on the proxy.

Les actionnaires qui préféreraient recevoir la Circulaire de sollicitation de procurations de la direction en français n'ont qu'à en aviser le Secrétaire corporatif.

NSTEIN TECHNOLOGIES INC.

MANAGEMENT PROXY CIRCULAR

Except as otherwise indicated, the information contained herein is given as of March 28th, 2008, all dollar amounts set forth herein are expressed in Canadian dollars and the numbers with regard to common shares and stock options of Nstein Technologies Inc. are provided on a post-consolidated basis, following the consolidation of the common shares June 13th, 2006 (i.e. on the basis of one (1) new common share for every ten (10) common shares before that date).

SOLICITATION OF PROXIES

This Management Proxy Circular (the "Circular") is issued in connection with the solicitation by the management of Nstein Technologies Inc. (the "Company") of proxies to be used at the Annual General and Special Meeting of Shareholders of the Company (the "Meeting") to be held on May 22, 2008, at the time, place and for the purposes set forth in the enclosed Notice of Annual General Meeting (the "Notice of Meeting") and at any adjournment thereof.

The solicitation is being made primarily by mail, but proxies may also be solicited by telephone, fax, Internet or other personal contact by officers or other employees of the Company. The entire cost of the solicitation will be borne by the Company.

APPOINTMENT OF PROXIES

The persons named as proxyholders in the enclosed form of proxy are directors and officers of the Company. **A shareholder is entitled to appoint any other person, who need not be a shareholder, to represent him or her at the Meeting. In order to appoint such other person, the shareholder must strike out the names printed on the form of proxy and insert such other person's name in the blank space provided thereon or duly complete another form of proxy**. **If the shareholder is a corporation, the proxy form must be signed by a duly authorized officer or agent.** In all cases, the completed and signed form of proxy shall be delivered to the transfer agent and registrar of the Company, CIBC Mellon Trust Company ("**CIBC Mellon**"), either by fax at (416) 368-2502 or by mail at 2001 University Street, Suite 1600, Montreal, Quebec, Canada H3A 2A6, no later than 5:00 p.m. on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used.

REVOCATION OF PROXIES

A shareholder who executes and returns the accompanying form of proxy may revoke the same (a) by instrument in writing executed by the shareholder, or by his agent authorized in writing, and deposited either (i) at the place of business of the Company, to the attention of the Corporate Secretary of the Company, 75 Queen Street, Suite 4400, Montreal, Quebec, Canada H3C 2N6, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof or (b) in any other manner permitted by law. If the shareholder is a corporation, any such instrument of revocation shall be executed by a duly authorized officer or agent thereof.

INSTRUCTIONS TO BENEFICIAL OWNERS

An appreciable number of shareholders, designated "**beneficial owners**", own shares of the Company through a representative such as a transfer agent, a securities broker or a financial institution ("**Representative**") *rather than in their own name*. Therefore, Representatives are registered in the Company's records on behalf of beneficial owners. Beneficial owners must take note that only proxies of holders of record of Shares of the Company may be admitted and exercised at the Meeting. Shareholders who are beneficial owners must provide their voting instructions to their Representative whom will vote on their behalf.

Unless he or she has waived his or her right to receive the material pertaining to the Meeting, the beneficial owner will receive by mail from his or her Representative (or an intermediary such as Broadridge Financial Solutions, formerly known as ADP Investor Communications) this Circular together with the proxy form or a voting instructions form. Beneficial owners must carefully follow the instructions received from their Representative on how to provide such Representative with their voting instructions to ensure their voting shares are voted. If no voting instructions are given by the beneficial owner, the shares will not be voted.

CIBC Mellon may not have a complete record of the names of the Company's beneficial owners (as the Representatives are registered on their behalf); CIBC Mellon may not have knowledge of a Beneficial owner's right to vote, unless the Representative has appointed the Beneficial owner as proxyholder. Beneficial owners who wish to vote in person (or delegate someone for them) at the Meeting must strike out the names of the persons written on the proxy form and insert their own name (or the name of the person of their choice) in the space provided on the form of proxy or voting instruction form, and adhere to the signing and return instructions provided by their Representative. By doing so, beneficial owners are instructing their Representative to appoint them (or the person of their choice) as proxyholder.

VOTE AT THE MEETING – VOTE BY THE PROXIES

The persons named in the enclosed form of proxy will, on a show of hands or on any ballot that may be called for, vote the shares in respect of which they are appointed as proxies and in accordance with the instructions of the shareholders appointing them. **If no instructions are given, the persons named in the form of proxy will vote (i) FOR the election of management's nominees as directors; (ii) FOR the appointment of PricewaterhouseCoopers LLP as auditors; (iii) FOR the approval of the amendments to the Stock Option Plan; (iv) FOR the approval of the amendments to the Employee Share Purchase Plan; and (v) FOR the approval of the amendments to the Deferred Stock Units Plan.**

EXERCISE OF DISCRETION BY PROXIES

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 of Meeting, and with respect to other business which may properly come before the Meeting or any adjournment thereof. As of the date hereof, management of the Company knows of no such amendment, variation or other business to come before the Meeting. If any such amendment, variation or other business properly comes before the Meeting or any adjournment thereof, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgment.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The share capital of the Company is constituted of an unlimited number of common shares and preferred shares without par value. As at the date hereof, there were 51,013,854 common shares of the Company issued and outstanding (the "**Shares**") and there were no preferred shares issued and outstanding. Each Share confers on the holder thereof one (1) vote on a ballot.

Only holders of record of Shares of the Company at the close of business on April 22, 2008 (the "**Record Date**"), will be entitled to receive the accompanying Notice of Meeting. They will also have the right to vote at the Meeting and at any adjournment thereof if they are present or represented by proxy.

To the knowledge of the directors and officers of the Company as at the date hereof, the only persons exercising control or direction over more than 10% of the voting securities were the following:

Name	Number of Shares	Percentage of Shares
Fonds de solidarité des travailleurs du Québec (F.T.Q.)	10,739,496	21.05%
JLA Ventures (1)	7,082,353	13.88%

(1) Pierre Donaldson, a current and a proposed director, is General Partner of JLA Ventures.

BUSINESS AT THE MEETING

1. Presentation of Financial Statements

The Management's report, the consolidated financial statements and the auditors' report thereon, for the year ending December 31, 2007, included in the Company's annual report will be submitted to the shareholders at the Meeting, but no vote with respect thereto is required nor will be taken.

2. Election of Directors

The articles of the Company provide that the Board of Directors of the Company (the "**Board**") is to consist of not less than one (1) and not more than fifteen (15) directors, the exact number being determined from time to time by the directors of the Company. The Board has fixed the number of directors at seven (7) for the coming year. The management of the Company recommends that the Board be composed of the persons presented at the heading "**NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS**". **Unless otherwise instructed, the persons named in the enclosed proxy form will vote FOR the election of the nominees**.

The directors are elected annually by the shareholders and remain in office until the following annual shareholders' meeting, unless he or she resigns or his or her office becomes vacant as a result of death, removal or any other cause. **The management of the Company does not anticipate that any of the nominees will be unable or for any reason unwilling to serve as a director, but if such a case were to arise for any reason prior to the election, the persons named in the enclosed form of proxy reserve the right to vote for another nominee of their choice, unless the shareholder indicates in the proxy form that the shares should be withheld from voting on the election of directors.**

3. Appointment of Auditors

PricewaterhouseCoopers LLP, Chartered Accountants, have served as auditors of the Company since June 13, 2000. **Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the reappointment of PricewaterhouseCoopers LLP as auditors of the Company, to hold office until the close of the next annual meeting of shareholders at such remuneration as may be fixed by the directors.**

4. Approval of amendments to the Stock Option Plan

The Stock Option Plan, approved by the Board on May 17, 2000, ratified by the shareholders on June 13, 2000 and amended thereafter on some occasions (the "Stock Option Plan") is described on page 9 of this Circular at the heading "***Description of the Stock Option Plan***". On March 27, 2008, the Board approved some amendments to the Stock Option Plan which consist in submitting to the prior approval of the TSX Venture Exchange modifications to vesting conditions in case of change of control of the Company and in increasing the number of shares that may be issued under the Stock Option Plan. Such increase would bring the number of shares affected by the Stock Option Plan from its current stage of 3,143,000 to 5,100,000, and this way would maintain the number of shares under the Stock Option Plan at 10% of all issued and outstanding Shares to this date.

At the Meeting, disinterested shareholders will be asked to consider and if, deemed advisable, pass the following resolution, which approves the amendments to the Stock Option Plan described above, with or without variation:

> "**RESOLVED THAT** the amendments to the Stock Option Plan described in the Management Proxy Circular dated March 28, 2008 be and are hereby approved."

To be effective, the resolution must be adopted by a majority of the votes cast by the holders of Shares present or represented by proxy. To the knowledge of Management, the number of Shares expected to be excluded from the vote is 2,753,685, i.e. the number of Shares held by Management.

Management and the Board recommend voting FOR the approval of the resolution.

If no contrary instructions are given, the persons named in the enclosed form of proxy intend to vote FOR the adoption of the resolution approving the amendments to the Stock Option Plan.

The amendments to the Stock Option Plan have received the conditional approval of the TSX Venture Exchange.

5. Amendments to the Employee Share Purchase Plan

The Employee Share Purchase Plan, which has been approved by the Board on February 17, 2006 and ratified by the shareholders on May 23, 2006 (the "ESP Plan") is described on page 10 of this Circular at the heading "***Description of the Employee Share Purchase Plan (the ESP Plan)***".On March 27, 2008, the Board approved some amendments to the Employee Share Purchase Plan which consist in easing new employees to join the ESP Plan, in removing the exclusion of members of senior management from the ESP Plan, and in increasing the number of shares reserved for issuance under the ESP Plan. Such increase would bring the number of shares affected by the ESP Plan from its current stage of 945,363 to 1,275,000 (i.e. 2,5% of all issued and outstanding Shares to this date).

At the Meeting, disinterested shareholders will be asked to consider and if, deemed advisable, pass the following resolution, which approves the amendments to the Employees Share Purchase Plan described above, with or without variation:

> "**RESOLVED THAT** the amendments to the Employees Share Purchase Plan described in the Management Proxy Circular dated March 28, 2008 be and are hereby approved."

To be effective, the resolution must be adopted by a majority of the votes cast by the holders of Shares present or represented by proxy. To the knowledge of Management, the number of Shares expected to be excluded from the vote is 2,753,685, i.e. the number of Shares held by Management.

Management and the Board recommend voting FOR the approval of the resolution.

If no contrary instructions are given, the persons named in the enclosed form of proxy intend to vote FOR the adoption of the resolution approving the amendments to the Employees Share Purchase Plan.

The amendments to the Employees Share Purchase Plan have received the conditional approval of the TSX Venture Exchange.

6. Amendment to the Deferred Stock Units Plan

The Deferred Stock Units Plan of the Company has been approved by the Board on August 15, 2005 (the "DSU Plan") is described on page 7 of this Circular at the heading "***Director Compensation***". On March 27, 2008, the Board approved some amendments to the DSU Plan which consist notably in allowing the payment of deferred share units either in common shares newly issued from treasury or in cash, at the election of each outside director. This amendment would have for effect of transforming the DSU Plan into an incentive plan and the number of common shares reserved for issuance under the DSU Plan would be 1,275,000 (i.e. 2,5% of all issued and outstanding Shares to this date).

At the Meeting, disinterested shareholders will be asked to consider and if, deemed advisable, pass the following resolution, which approves the amendments to the DSU Plan described above, with or without variation:

> "**RESOLVED THAT** the amendments to the Deferred Stock Units Plan described in the Management Proxy Circular dated March 28, 2008 be and are hereby approved."

To be effective, the resolution must be adopted by a majority of the votes cast by the holders of Shares present or represented by proxy. To the knowledge of Management, the number of Shares expected to be excluded from the vote is 20,173,415, i.e. the number of Shares held by outside Directors and nominees for election as Directors whom will be considered outside Directors (see "**DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE**" on page 13 of this Circular).

Management and the Board recommend voting FOR the approval of the resolution**.**

If no contrary instructions are given, the persons named in the enclosed form of proxy intend to vote FOR the adoption of the resolution approving the amendments to the DSU Plan.

The amendments to the DSU Plan are subject to the approval of the TSX Venture Exchange.

7. Other Matters

The management of the Company presently knows of no matters to come before the Meeting other than those identified in the Notice. If any matters which are not known should properly come before the Meeting, the form of proxy confers discretionary authority on the proxyholders who will vote on such matters according to their best judgment.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

All current directors (i.e. Rainer Busch, André Courtemanche, Pierre Donaldson, Luc Filiatreault Nancy Goudreau, A. Michel Lavigne and Michel Lozeau) were elected by the shareholders on May 23, 2007.

In accordance with a subscription agreement between the Company and Fonds de solidarité des travailleurs du Québec (F.T.Q.) (hereinafter referred to as the "**FSTQ**") dated March 5, 2002, the latter has the power to appoint up to two (2) representatives to the Company's Board; as at the date hereof, Nancy Goudreau and Michel Lozeau are the representatives of the FSTQ which wishes to renew their mandate at the Meeting.

The following table presents the seven (7) proposed directors to the Board for the period starting May 22, 2008.

			Property [1]		
Name and Municipality of Residence	**Director Since**	**Principal Occupation**	**Number of Shares** [2] **(Percentage)**	**Number of Stock Options**	**DSU** [3]
BUSCH, Rainer [4] Greenwich, Connecticut	May 9, 2005	Managing Partner Mercury Partners	1,059,259 [6] (2.08%)	—	72,068
COURTEMANCHE, André [7] Montreal, Quebec	May 23, 2007	President and Chief Executive Officer VIAVAR Capital Inc.	884,615 [8] (1.73 %)	—	13,739
DONALDSON, Pierre [5] Morin Heights, Quebec	June 13, 2006	General Partner JLA Ventures	7,082,353 [9] (13.88 %)	—	49,683 [10]
FILIATREAULT, Luc Saint-Bruno, Quebec	April 23, 2007	President and Chief Executive Officer Nstein Technologies Inc.	1,247,883 [11] (2.45 %)	600,000	—
GOUDREAU, Nancy [4] Montreal, Quebec	May 23, 2006	Senior Investment Advisor, Information Technologies and Telecommunications Fonds de solidarité des travailleurs du Québec (F.T.Q.)	— —	—	62 250 [12]
LAVIGNE, A. Michel [7] Brossard, Quebec	May 23, 2006	Corporate Director	100,000 (0.2 %)	—	55 684
LOZEAU, Michel [4] [7] Montreal, Quebec	July 18, 2006	Corporate Director	307,692 (0.6 %)	—	46 578

(1) The nominees have personally provided the information relating to the shares over which they exercise control or direction, as well as the number of share purchase options and deferred shares units ("**DSU**") they hold.

(2) Number and percentage of Shares over which control or direction is exercised.

(3) Number of DSU awarded under the DSU Plan, detailed on page 7 of this Circular under the heading "**DIRECTORS' COMPENSATION**".

(4) Current member of the Human Resources and Corporate Governance and Nominations Committee, chaired by Michel Lozeau.

(5) Chairman of the Board of Nstein.

(6) Shares held by Keystone Private Equity Investments Limited, an investment fund of which Mercury Partners, a corporation controlled by Rainer Busch, owns 50% of the voting shares.

(7) Current member of the Audit Committee, chaired by A. Michel Lavigne.

(8) Shares held by VIAVAR Capital Inc., a company controlled by André Courtemanche.

(9) Shares held by JLA Ventures, an investment funds managed by Pierre Donaldson and two (2) other partners.

(10) This number of DSU represents the total compensation paid directly to JLA Ventures for the director' services rendered by Pierre Donaldson.

(11) Shares held directly by Luc Filiatreault or indirectly through Fiducie familiale Filiatreault-Caron or 9059-8640 Québec Inc., which are controlled directly or indirectly by Luc Filiatreault.

(12) This number of DSU represents the total compensation paid directly to FSTQ for the directors' services rendered by various FSTQ designated representatives since March 5, 2002.

Proposed directors' biographies

Rainer Busch

Rainer Busch is the founder and managing partner of Mercury Partners, a Swiss-based private equity investments firm. He was the partner responsible for European private equity investing (buyout) with Fay Richwhite (financial institution). He was a partner with Value Management Group (venture capital). He was a manager with McKinsey & Co. (strategic consulting) in Europe and the U.S. He started his career leading R&D projects and is the author of three patents.

André Courtemanche

André Courtemanche is President and CEO of VIAVAR Capital Inc., an investment firm, since September 2004. In 1988, he founded Steltor Inc., a leader in time management communications technology, of which he was President and CEO until its acquisition by Oracle Corporation (software) in 2002; he was Vice President of Time Management Platforms for Oracle's Server Technology group from 2002 to 2004. André Courtemanche was named Quebec Young Entrepreneur of the Year (1997) by La jeune chambre de commerce du Québec and is the author of numerous published articles on time management communications technology and open standards.

Pierre Donaldson

Pierre Donaldson is a General Partner of JLA Ventures (venture capital) since November 2005. From April 2000 to September 2004, he was President and Chief Executive Officer of Bioscrypt Inc. Prior thereto, he held the position of Executive Vice President of The Descartes Systems Group Inc., a provider of business-to-business Internet logistics solutions from May 1998 to April 2000.

Luc Filiatreault

Luc Filiatreault is President and Chief Executive Officer of Nstein Technologies Inc. since April 23, 2007. Prior thereto, he was Chairman of the Board and CEO of PG Mensys Information Systems (software), acquired by Harris Computer Systems in March of 2007. In 2002, he founded NordTech Aerospace Inc. (aerospace) which he was President until 2005, renamed ExelTech Aerospace Inc. From 2000 to 2002, Luc Filiatreault was President of BellZinc (business portal), a Bell Canada company. In 1987, He co-founded the Informission Group (now Nurun Inc.), where he held several executive positions until the acquisition by Quebecor in 2000. In 2005, he received the prestigious "Top 40 under 40" award presented by Toronto's Globe and Mail. Luc Filiatreault graduated in Engineering Physics from Laval University (Quebec City).

Nancy Goudreau

Nancy Goudreau is Senior Investment Advisor, Information Technologies and Telecommunications at Fonds de solidarité des travailleurs du Québec (F.T.Q.). Nancy Goudreau began her career working for the federal and provincial governments in export assistance. She went on to work in the private sector, developing international trade networks and strategies for IT and telecom firms. She has been part of the technology team at the F.T.Q. since 2001.

A. Michel Lavigne

A. Michel Lavigne is a director of the Caisse de dépôt et placement du Québec. Also, since June 2005, he is a director and a member of the Audit Committee of Quebecor Media (media), Vidéotron Ltée (telecommunications), Sun Media Corporation (media) and TVA Group Inc. (media). He is as well the Chairman of the Board of Primary Energy Recycling Corporation (energy). Until May 2005, he served as President and Chief Executive Officer of Raymond Chabot Grant Thornton (chartered accounts) in Montréal, Quebec, Chairman of the Board of Grant Thornton Canada and was a member of the Board of Governors of Grant Thornton International (chartered accounts). Mr. Lavigne is a Fellow Chartered Accountant of the Ordre des comptables agréés du Québec and a member of the Canadian Institute of Chartered Accountants since 1973.

Michel Lozeau

Michel Lozeau has spent more than 30 years in the field of management and information technologies. He is currently active as a Corporate Director and an Executive Coach. Previously, he held the positions of Senior Vice-President of E-Commerce at the National Bank of Canada (bank), where he was also a member of the Executive Committee (2001-2003), and Group Vice-President at Oracle Consulting (information technology services), a division of Oracle Corporation (software) from 1995 to 2001. Mr. Lozeau has been awarded the designation of ICD.D from the Institute of Corporate Directors in 2005.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of management, no proposed director of the Company:

a. is as at the date of this Circular or has been within 10 years before the date of this Circular a director or executive officer of any company that, while that person was acting in that capacity:

   i. was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

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

   iii. 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, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b. has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

DIRECTORS' COMPENSATION

The directors of the Company may be granted options under the Company's Stock Option Plan. For the fiscal year ending December 31, 2007, the Company has granted no stock options to the directors. For their appointment commencing May 23, 2007 and terminating May 22, 2008, directors who are not part of the Company's management ("**outside directors**") have received the following compensation for their services as directors:

Type of Compensation	Total Amount of Compensation ($)
Annual Board Retainer	12,000
Annual Committee Chairperson Retainer	5,000
Board Attendance Fees	1,000
Committee Attendance Fees	500

The Company has implemented a DSU Plan, which was put in place in the forth quarter of 2003, to increase the alignment of directors' and shareholders' interests. Outside directors are compensated in the form of deferred share units ("**DSU**") under the Deferred Share Units Plan ("**DSU Plan**") described below so long as the minimum of one hundred thousand (100,000) shares or DSU per outside director has not been reached. Once the minimum has been reached, outside directors may elect to receive 50% of their annual retainer and attendance fees in the form of DSU and 50% in cash or 100% in cash or 100% in the form of DSU.

Under the DSU Plan, a number of share units equal to the number of shares that could be purchased on the market for a dollar amount equal to the relevant quarterly compensation payable in the form of share units is credited to the account maintained by the Company for each eligible director. Units are payable only when a director ceases to be a member of the Board. Units must be paid prior to December 15th of the year following the calendar year during which the director ceased to be a member of the Board. The value of a unit, when converted to cash, will be equivalent to the value of a Share at the time the conversion takes place.

The proposed amendments to the DSU Plan are described at page 4 of this Circular.

During the year ending December 31, 2007, the Board has met ten (10) times, the Audit Committee has held for (4) meetings and the Human Resources Committee and the Corporate Governance and Nominations Committee have held one (1) meeting each before their combination on May 23, 2007, and two (2) after their combination.

All outside directors in office at a moment or at another during the fiscal year ending December 31st, 2007 were awarded the following DSU:

Outside Director	Number of Attended Meetings by Outside Director / Number of Meetings Held Since Outside Director in Office					Number of DSUs Awarded in 2007
	Board	Audit Committee	Human Resources Committee	Corporate Governance and nominations Committee	Human Resources and Corporate Governance and nominations Committee	
Rainer Busch	9/10	n.a.	1/1	1/1	2/2	25,633
André Courtemanche (1)	5/5	2/2	n.a.	n.a.	n.a.	13,739
Pierre Donaldson (2)	10/10	2/2	1/1	n.a.	n.a.	29,302
Richard Drouin (3)	5/5	n.a.	1/1	1/1	n.a.	16,644
Marc Dutil (3)	3/5	1/2	0/1	n.a	n.a.	13,449
Nancy Goudreau (4)	10/10	n.a.	n.a.	n.a.	2/2	25,812
A. Michel Lavigne	7/10	4/4	n.a.	n.a.	n.a.	30,572
Michel Lozeau	9/10	2/2	n.a.	1/1	2/2	28,600

(1) André Courtemanche has been elected director at the Annual Meeting scheduled on May 23, 2007.

(2) The compensation of Pierre Donaldson was paid to JLA Ventures pursuant to a JLA Ventures internal policy.

(3) Richard Drouin and Marc Dutil have not sought re-election as directors at the Meeting scheduled on May 23, 2007. They respectively hold 89,682 and 89,533 DSU which may be exchanged until December 15, 2008 in accordance with the provisions of the Company's DSU plan.

(4) The compensation of Nancy Goudreau was paid to FSTQ pursuant to a FSTQ internal policy.

EXECUTIVE COMPENSATION

Summary Compensation Table

The Summary Compensation Table shows certain compensation information for the President and Chief Executive Officer, the former Chairman of the Board and Chief Executive Officer, the Chief Financing Officer, and the other most highly compensated executive officers of the Company (collectively, the "**Named Executive Officers**") for services rendered in all capacities during the fiscal years ending December 31, 2005, 2006 and 2007. This information includes base salary, bonuses awarded, the number of stock options granted and all other forms of compensation, whether or not deferred.

		Annual Compensation			Long-Term Compensation
Name and Position Within the Company	Financial Year ending December 31	Salary (1) ($)	Bonus (2) ($)	Other Compensation (3) ($)	Stock Options Granted (4)
Luc Filiatreault President and Chief Executive Officer (5)	2007 2006 2005	137,949 – –	135,890 – –	None – –	600,000 – –
Mario Girard Former Chairman of the Board and Chief Executive Officer (6)	2007 2006 2005	79,904 199,250 182,000	40,000 None 25,000	222,050 (6) None None	None 300,000 (7) 75,000
Bruno Martel Chief Financial Officer	2007 2006 (8) 2005	150,000 119,500 108,000	75,000 None 10,000	None None None	None 175,000 (9) 25,000
Laurent Proulx Founder and Chief Innovation Officer	2007 2006 2005	175,000 161,750 152,000	70,000 18,040 12,500	None None None	60,000 200,000 (10) 50,000
Denis Lavallée Vice President, Professional Services	2007 2006 2005	188,125 (11) 182,778 (13) 183,920 (15)	75,250 (12) None 20,000	None None None	None 75,000 (14) 50,000
Jean -Paul Chauvet Vice President, Global Sales (16)	2007 2006 2005	145,000 59,615 –	113,371 40,000 –	None None –	40,000 75,000 –

(1) Based on the compensation actually paid during the year to the Named Executive Officers and not on their gross annual salary.

(2) The bonuses are generally paid in cash during the year following the year for which they are granted.

(3) Excluding benefits that do not exceed 10% of cash compensation paid during the year up to a maximum of $50,000 per person.

(4) Long-term compensation is limited to stock options. All purchase options granted prior to June 13, 2006 were affected by the consolidation of regular stocks of the Company on June 13, 2006; the numbers expressed represent the absolute options as of this Circular's printing.

(5) Luc Filiatreault joined the Company as director and President and Chief Executive Officer on April 23, 2007.

(6) Mario Girard left as director, Chairman of the Board and Chief Executive Officer of the Company on April 23, 2007. The Company paid him the sum of $222,050 as an indemnity in lieu of notice.

(7) Of these options, 195,000 have been cancelled in 2007.

(8) Bruno Martel was appointed Chief Financial Officer on December 1st, 2006; prior thereto he was Finance Director of the Company.

(9) Of these options, 60,000 have been cancelled in 2007.

(10) Of these options, 60,000 have been cancelled in 2007.

(11) Corresponds to $175,000 USD, the average 2007 conversion rate being 1.075.

(12) Corresponds to $70,000 USD, the average 2007 conversion rate being 1.075.

(13) Corresponds to $161,750 USD, the average 2006 conversion rate being 1.13.

(14) Of these options, 60,000 have been cancelled in 2007.

(15) Corresponds to $152,000 USD, the average 2005 conversion rate being 1.21.

(16) Jean-Paul Chauvet joined the Company on July 3, 2006.

Description of the Stock Option Plan

The stock option plan for certain directors, employees and service providers of the Company (the "**Stock Option Plan**") was approved by the Board on May 17, 2000, ratified by the shareholders on June 13, 2000 and amended thereafter on some occasions. Its purposes are to encourage productivity among the optionees and thereby promote the Company's growth and development. The Stock Option Plan provides for the grant of options to directors, employees and service providers of the Company and its subsidiaries. The Stock Option Plan is under the control and direction of the Board. The Human Resources Committee may advise the Board on all aspects of the Stock Option Plan. The Board has complete authority as to the interpretation and application of the Stock Option Plan and the adoption of such rules, conditions and other measures as it deems necessary or expedient for the administration of the Plan. The total number of shares that may be issued under the Stock Option Plan is currently 3,143,000 Shares. No single optionee may be granted options entitling him or her to subscribe to shares of the share capital of the Company representing more than 5% of all of the Shares, or 2% when the optionee is a service provider. Options must be exercised during the period and on the terms set at the time of the grant. The term of the stock options may not exceed 7 years following the date of grant. The exercise price payable for each optioned Share is set by the Board at the date of its grant but may at no time be less than the market value of the Shares at the time the option was granted. Market value is defined as the closing price of the Shares on a recognized stock exchange on the day preceding the date of grant or, if the day preceding the date of grant is not a business day or if the Shares were not traded on that day, the next preceding business day on which the Shares were traded.

The proposed amendments to the Stock Option Plan are described on page 3 of this Circular.

During fiscal year ending December 31, 2007, options to purchase 1,390,000 Shares have been granted under the Stock Option Plan and were outstanding, including options for the purchase of 700,000 Shares granted to the Named Executive Officers of the Company.

Options Granted During the Fiscal Year Ending December 31, 2007

The table below shows information regarding grants of stock options made to the Named Executive Officers under the Company's Stock Option Plan during the fiscal year ending December 31, 2007.

Named Executive Officers	Stock Options Granted	Percentage of Total Stock Options Granted to Employees (1)	Exercise Price ($/Share)	Market Value of Stock Options Granted on Date of Grant ($/Share)	Expiration Date
Luc Filiatreault	600,000	43.96%	0.65	0.65	April 12, 2012
Mario Girard	None	–	–	–	–
Bruno Martel	None	–	–	–	–
Laurent Proulx	60,000	4.4%	1.00	1.00	August 21, 2012
Denis Lavallée	None	–	–	–	–
Jean-Paul Chauvet	40,000	2.93%	0.80	0.80	March 15, 2012

(1) 1,365,000 Stock Options were granted to the employees of the Company and its affiliates during the fiscal year ending December 31, 2007.

Options Exercised During the Year Ending December 31, 2007 and Fiscal Year-end Option Values

The following table summarizes, for each of the Named Executive Officers, (a) the number of shares covered by stock options, if any, exercised during the year ending December 31, 2007, (b) the aggregate value realized upon exercise, (c) the total number of unexercised options, if any, held at December 31, 2007, and (d) the aggregate value of unexercised in-the-money options at fiscal year-end, which is the difference between the exercise price of the options and the market value of the Shares of the Company on December 31, 2007, which was $1.07 per share.

			Number of Unexercised Options at Fiscal Year-end		Value of Unexercised In-the-Money Options at Fiscal Year-end ($)	
Named Executive Officers	**Number of Shares Acquired on Exercise**	**Aggregate Value Realized ($)**	**Exercisable**	**Unexercisable**	**Exercisable**	**Unexercisable**
Luc Filiatreault	None	–	150,000	450,000	63,000	189,000
Mario Girard	None	–	260,500	6,500	69,545	455
Bruno Martel	None	–	119,500	71,500	44,670	33,780
Laurent Proulx	None	–	169,500	150,500	53,465	45,585
Denis Lavallée	None	–	171,250	28,750	10,050	–
Jean-Paul Chauvet	None	–	43,333	71,667	21,750	34,425

Description of the Employee Share Purchase Plan (ESP Plan)

On February 17, 2006, the Board approved a share purchase plan for the employees of the Company and those of its subsidiaries (the "ESP Plan") allowing participating employees to subscribe to common shares of the Company as a form of recognition but also to promote an interest in the Company among its employees. The ESP Plan has been ratified by the shareholders on May 23, 2006. The ESP Plan is under the control and direction of the Board, which has complete authority as to its interpretation and application and the adoption of such rules, conditions and other measures as it deems necessary or expedient for the administration of the ESP Plan; the Human Resources Committee may advise the Board on all aspects of the ESP Plan. Participants who are eligible for the Plan are full-time employees of the Company and its subsidiaries; expressly excluded are members of senior management and directors; participants join the Plan on a voluntary basis. Participants may invest up to eight percent (8%) of their annual base salary, for at most $3,000, and the Company's contribution will match the participant's investment. The number of common shares that may be issued under the ESP Plan may not exceed 945,363; common shares are issued in favor of participants on a monthly basis, at a price equal to the weighted average price for the last five (5) days of trading prior to the purchase day. When the participant no longer meets the eligibility requirements and in the event of his or her death, retirement or termination of employment, participation to the plan automatically ceases.

The proposed amendments to the ESP Plan are described on page 3 of this Circular.

During fiscal year ending December 31, 2007, no Share has been issued to the Named Executive Officers of the Company under the ESP Plan.

Employment Agreements and Change in Control Agreements

The Company has entered into employment agreements ("**Employment Agreements**") with some of its employees, including the Named Executive Officers. These Employment Agreements provide for the payment of a base salary and the possibility of payment, at the Company's discretion, of additional benefits, including bonuses based on the achievement of objectives. Such Employment Agreements are for an indefinite term, however, they terminate automatically in the event of the death or resignation of the employee and the Company may terminate such agreements without being obliged to pay any indemnity in the event of, notably, gross negligence in the performance of duty, fraud or other serious reason. In the event that the Company terminates an Employment Agreement without valid reason, it shall pay the employee an indemnity in lieu of notice equivalent to 6 to 12 months' base annual salary. In addition, and as applicable, the employee will receive his planned annual bonus (on a pro rata basis) and the vesting period for his stock options will continue for a period equal to the period of indemnity in lieu of notice provided in the agreement, or all stock options granted to him or for which undertakings have been taken will automatically be fully vested upon such event. The employee may, as applicable, terminate his employment upon 30 days' prior written notice. The Employment Agreements also contain undertakings pertaining to confidentiality, the assignment of intellectual property rights, no-competition and no-solicitation.

In the event of a change in control, the Company may terminate the Employment Agreements by paying an indemnity in lieu of notice equivalent to 6 to 12 months' base annual salary as well as the annual planned bonus, and the stock options granted or promised to the employee will be fully vested upon such event.

Report on Executive Compensation

General Principles of Executive Compensation

The compensation of the executive officers of the Company and its subsidiaries, including the Named Executive Officers, is fixed by the Company's Human Resources and Corporate Governance and Nominations Committee, which currently consists of three (3) members who are outside directors, namely, Michel Lozeau, who serves as Chairman of the committee, Rainer Busch and Nancy Goudreau.

Components of Overall Compensation

In order to ensure that the Company is able to attract, motivate and retain the highly qualified employees required for its success, the Company has developed and implemented a formal strategic policy regarding the compensation of its executives. This policy is intended to ensure that the Company's executives receive total compensation that (a) is competitive with the compensation received by executives employed by a group of comparable companies selected by the Company, (b) links the executives' interests with those of the shareholders and (c) rewards superior performance. The policy is comprised of 4 components:

1. The base compensation strategy, which is intended to align base salaries, benefits and perquisites with the median of the reference market;
2. Annual incentive bonus;
3. A long-term profit-sharing plan in the form of stock options, which is intended to increase shareholder value; and
4. An employee benefit plan, which provides executives and their families with adequate protection in the event of death, disability or illness.

Base Salary

The base salary of Named Executive Officers, including the President and Chief Executive Officer, is based on competitive salaries for positions involving similar responsibilities at other Canadian corporations. The Company has a policy of reviewing salaries annually and making adjustments to reflect the acquisition and use of key competencies and individual contributions to the results of the Company in the previous fiscal year. The Human Resources and Corporate Governance and Nominations Committee recommends adjustments to the Board as necessary.

Annual Incentive Bonus

The annual incentive bonus for the Named Senior Executives may represent a potential amount from 50% to 100% of their base salary except for the President and Chief Executive Officer whose potential annual incentive bonus is 150%. The amount of all annual bonuses is based on factors relating to both corporate and individual performance. Corporate performance is assessed on the basis of financial objectives related to revenue and earnings before interest, taxes, depreciation and amortization (EBITDA). The actual amount of the bonus may vary between zero and a maximum of twice the target bonus, depending on the level of achievement of the above-mentioned objectives.

Long-Term Profit Sharing Plan

The Named Senior Executives, including the President and Chief Executive Officer, may participate in the Stock Option Plan, which is designed to encourage executives to link their interests with those of shareholders, in order to encourage an appreciation in shareholder value. The terms of the Stock Option Plan are described above under the heading "***Description of the Stock Option Plan***" on page 9 of this Circular. Options are granted based on the role and responsibilities associated with the participant's position, his or her influence over appreciation in shareholder value and the number of options currently held.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table shows, as of December 31, 2007, compensation plans under which new shares of the Company are authorized for issuance from treasury. The information has been aggregated either by equity compensation plans providing for the issuance of common shares previously approved by shareholders, or equity compensation plans providing for the issuance of common shares not previously approved by shareholders, of which there are none to report. The numbers shown under "Equity compensation plans approved by security holders" relate to the Stock Option Plan and the ESP Plan, details of which are set forth under the headings "***Description of the Stock Option Plan***" and "***Description of the Employee Share Purchase Plan (ESP Plan)***" on pages 9 and 10 of this Circular.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights ($) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	2,943,286	1.17	958,601 (1)
Equity compensation plans not approved by securityholders	0	–	0
Total	2,943,286	1.17	958,601 (1)

(1) Of this number, 773,887 common shares may be issued to the employees of the Company under the ESP Plan and 184,714 common shares may be issued to optionnees under the Stock Option Plan.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

During the fiscal year ending December 31, 2007, the Company granted no loans to any officer or nominee director or their associates. On the date hereof, no loan granted by the Company to any such person is still outstanding.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management, except as disclosed in the 2007 Annual Report including our audited consolidated financial statements for the year ended December 31, 2007, and in the 2007 Annual Information Form dated March 28, 2008 (which are incorporated to this Circular by reference), and in this Circular, should it be the case, none of the Directors, nominees for election as Directors, officers, or other insiders or any persons associated or otherwise related to any of them has had a material interest, direct or indirect, in any transaction carried out since the beginning of the last completed fiscal year or proposed transaction which has materially affected or could materially affect the Company or its subsidiaries. The 2007 Annual Information Form is available on the web site of SEDAR at www.sedar.com under the Company's profile and may be provided without charge to shareholders whom request a copy.

AUDIT COMMITTEE

The Audit Committee's Charter

The Company's Audit Committee adopted a charter on May 9, 2005, which is attached to the present Circular as **Schedule A**.

Composition of the Audit Committee

On the date of this Circular, the Company's Audit Committee was composed of A. Michel Lavigne, Chairman of the committee, André Courtemanche and Michel Lozeau.

Under Multilateral Instrument *52-110 Audit Committees* enacted by the Canadian Securities Administrators ("**MI 52-110**"), a member of an audit committee is "independent" when the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgment. All members of the Audit Committee of the Company are independent pursuant to MI 52-110.

Under MI 52-110, an individual is "financially literate" when he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All members of the Audit Committee of the Company are financially literate pursuant to MI 52-110.

Fees for the Services of External Auditors

For the fiscal years ending December 31, 2006 and 2007, the following services fees have been invoiced to the Company by PricewaterhouseCoopers LLP, Chartered Accountants, the external auditors:

	2006	2007
Audit Fees	$74,000	$80,900
Audit-related Fees (1)	None	$64,747
Tax Fees	$35,513	$49,830
All Other Fees	None	None

(1) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or to the review of the financial statements, and that are not reported as Audit Fees.

Auditors' Independence

The Audit Committee of the Company has obtained a written confirmation from PricewaterhouseCoopers LLP, of the auditors' independence and objectivity with regard to the Company, pursuant to the Code of Ethics of the Ordre des comptables agréés du Québec.

Exemption for Venture Issuers

The Company is a venture issuer in accordance with MI 52-110 and as such is relying upon the exemption from the application of Part 5 (Reporting Obligations) of said Instrument.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – Disclosure of Corporate Governance Practices (**NI 58-101**) enacted by the Canadian Securities Administrators provides for greater transparency regarding corporate governance practices. As the Company is a venture issuer, it is required to describe its position with regard to the matters contained in the Form 58-101F2 of NI 58-101.

1. Board of Directors

Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including (i) the identity of directors who are independent, and (ii) the identity of directors who are not independent, and the basis for that determination. If the disclosure is included in a management information circular distributed to security holders of the issuer for the purpose of electing directors to the issuer's board of directors, provide disclosure regarding the existing directors and any proposed directors.

Pursuant to NI 58-101, in a jurisdiction other than British Columbia, a director is independent if he or she would be independent within the meaning of section 1.4 of MI 52-110 on the Audit Committee, i.e. if he or she has no direct or indirect material relationship with the issuer, that is, a material relationship which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a committee member's independent judgment or a relationship with the issuer which is one of those described in same section. In British Columbia, a director is independent if (a) a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the issuer and of any significant security holder, or (b) the issuer is a reporting issuer in a jurisdiction other than British Columbia, and the director is independent under subsection 1.2(1) on Meaning of Independence of NI 58-101.

For the fiscal year ending December 31, 2007, the Board was constituted with a majority of individuals who qualify as independent directors since, to the exception of Mario Girard, former Chief Executive Officer of the Company until April 23, 2007, and Luc Filiatreault, President and Chief Executive Officer of the Company since April 23, 2007, every director who served on the Board at any given moment during the year is considered unrelated to the Company: Rainer Busch, André Courtemanche, Pierre Donaldson, Richard Drouin (he has not sought re-election as director at the Meeting dated on May 23, 2007), Marc Dutil (he has not sought re-election as director at the Meeting dated on May 23, 2007), Nancy Goudreau, A. Michel Lavigne and Michel Lozeau.

On May 22, 2008, following the Annual Meeting, if the proposed candidates are elected, the Board will remain constituted with a majority of individuals who qualify as independent directors since, of the seven (7) nominees, six (6) qualify as independent directors: Rainer Busch, André Courtemanche, Pierre Donaldson, Nancy Goudreau, A. Michel Lavigne and Michel Lozeau. Luc Filiatreault will be considered as a non-independent administrator since he is President and Chief Executive Officer of the Company.

To determine whether a director is independent, the Board reviews the information provided by the Directors and candidates through a questionnaire.

2. Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a Canadian or foreign jurisdiction, identify both the director and the other issuer. If the disclosure is included in a management information *circular distributed to security holders of the issuer for the purpose of electing directors to the issuer's board of directors, provide disclosure regarding the existing directors and any proposed directors.*

The following table identifies the names of the Company's current directors and nominees who are also directors of any other reporting issuers:

Directors / Proposed Director	Reporting Issuers
Pierre Donaldson	Espial Group Inc.
A. Michel Lavigne	Primary Energy Recycling Corporation TVA Group Inc.
Michel Lozeau	Isacsoft Inc.

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3. Orientation and Continuing Education

Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

The Human Resources and Corporate Governance and Nominations Committee is responsible for the orientation and education of new members to the Board. When a new director is appointed, presentations will be given on the organization and operational procedures of the Company as well as the market in which the Company operates. The Human Resources and Corporate Governance and Nominations Committee is entirely constituted of individuals who qualify as independent directors: Michel Lozeau, Chairman of the Committee, Rainer Busch and Nancy Goudreau.

4. Ethical Business Conduct

Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Corporation adopted on February 27, 2001 written ethical business conduct rules applicable to the Corporation's directors, officers, employees and person having a special relationship with the Corporation (hereinafter the "Code of Ethics"). The Code of Ethics, which was amended on October 27, 2004 and November 25, 2005, covers conflicts of interest, treatment of confidential information, privileged information and trading in the corporation's securities, insiders' reports and intellectual property.

Furthermore, the Corporation adopted on November 25, 2005 reporting procedures for accounting and audit matters, applicable to the Corporation's directors, officers, employees and persons having a special relationship with the Corporation (hereinafter the "Whistleblower Policy"). The Whistleblower Policy, which is administered and enforced by the Audit Committee, establishes procedures for the receipt, retention and handling of complaints regarding accounting, internal accounting controls, or auditing matters, and of the submission by employees of concerns regarding questionable accounting or auditing matters, in accordance with MI 52-110 Audit Committees.

5. Nomination of Directors

Disclose what steps, if any, are taken to identify new candidates for board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.

Pursuant to its written mandate, the Human Resources and Corporate Governance and Nominations Committee is responsible for identifying qualified individuals to serve as directors of the Company and for recommending to the board candidates to be presented at the next annual meeting of the shareholders. The composition of the committee is set forth in item 3 above.

6. Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process of determining compensation

The Human Resources and Corporate Governance and Nominations Committee reviews the compensation of the outside directors of the Company and the CEO and reports to the Board. The Board is satisfied and is of the opinion that compensation is adequate. The Human Resources and Corporate Governance and Nominations Committee currently consists exclusively of independent directors: Michel Lozeau Chairman of the committee, Rainer Busch and Nancy Goudreau.

7. 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 other committee.

8. Assessments

Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

The Human Resources and Corporate Governance and Nominations Committee is responsible for assessing the individual and collective effectiveness of the Board and selecting new directors. The composition of the committee is set forth in item 3 above.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company provides insurance for the benefit of the directors and officers of the Company and its subsidiaries against liability which may be incurred by them in these capacities. The current policy limit is $5,000,000. Such insurance is subject to a general deductible of $50,000 per loss, as well as the specific exclusions usually contained in such policies. The total annual premium paid during the fiscal year ending December 31, 2007 in respect of this policy was $30,644. This annual premium, which has not been specifically broken down between the directors as a group and the officers as a group, was paid entirely by the Company.

ADDITIONAL INFORMATION

The Company is a reporting issuer under the Quebec's Securities Act and under the Ontario, British Columbia and Alberta Securities legislations and is therefore required to file financial statements and management proxy circulars with the Autorité des marchés financiers of Quebec (the Quebec securities commission), the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission. Due to its venture issuer status, the Company is exempted from filing an annual information form with the securities authorities but has chosen to file one.

Financial information is provided in the company's comparative financial statements and MD&A for its most recently completed financial year. Financial statements, MD&A, as well as additional information relating to the company may be found on SEDAR at www.sedar.com or upon request made to the Corporate Secretary of the Company. The Company may require the payment of a reasonable charge when the request is made by a person other than a holder of securities of the Company.

APPROVAL OF THE MANAGEMENT PROXY CIRCULAR

The contents and sending of this Management Proxy Circular have been approved by the Board of Directors of the Company.

Montreal, Quebec, Canada, March 28th, 2008.

Stéphanie Benoit, LL.B.
Legal Counsel and Corporate Secretary

SCHEDULE A

AUDIT COMMITTEE CHARTER

Preamble

The Audit Committee (the "**Committee**") is a standing committee of the Board of Directors (the "**Board**"). Its principal function is to assist the Board in fulfilling its oversight responsibilities by reviewing financial information, systems of internal financial, business and anti-fraud controls, and the audit process. This Charter is intended to establish such things as the mandate, responsibilities and powers of the Committee pursuant to Multilateral Instrument 52-110 on audit committees ("**MI 52-110**") adopted by the Canadian Securities Administrators.

1. Composition

1.1 *Number*. The Committee shall be composed of such number of directors as determined from time to time by the Board; such number shall not be less than three.

1.2 *Qualifications*. Solely directors of the company may be members of the Committee ("**the Members**"). Members must be outside[1], unrelated[2] and independent[3] directors, in addition to satisfying any other requirement contained in statutory instruments applicable to the Company. In an effort to foster a diverse Committee, Members may have a background in other areas other than finance but all Members must be financially literate[4] and at least one Member shall have accounting or related financial management expertise.

1.3 *Mandate*. Unless the Board decides otherwise or circumstances justify otherwise, the Members' mandate starts upon their appointment and ends at the next annual meeting of the shareholders. Members are appointed generally at the first meeting of the Board following the annual meeting of the shareholders. The Board has the discretionary power to remove any Member from the Committee and to appoint other Members at all times.

1.4 *Chair of Committee*. The Chairman of the Committee is appointed by the Board from among the Members. The Chairman reports to the Board at the Board meeting following: (i) all meetings of the Committee; (ii) the signature of a document attesting to a Committee decision or recommendation.

2. Meetings of the Committee

2.1 *Convocation*. A Meeting may be called at any time by the Chairman of the Board, by the chairman of the Committee or by two (2) Members.

2.2 *Agenda*. The Chairman of the Committee, in collaboration with the Chairman of the Board, generally sets the agenda of each Meeting of the Committee, taking into account the items on the Committee's activity program approved each year by the Board.

2.3 *Number and timing of Meetings*. The Committee shall meet when required; there may be no fewer than one (1) meeting per quarter, usually at the time of or preceding a Board Meeting.

2.4 *Quorum.* The quorum is reached when a simple majority of the Members is present.

2.5 *Chair of Meetings*. The Chair of the Committee shall act as chair of the meetings.

2.6 *Secretary of Meetings.* Unless otherwise ordered by the Committee, the Secretary of the Corporation shall be the Secretary of the meetings.

2.7 *Decisions and recommendations of the Committee.* Decisions and recommendations made by the Committee must be put into writing as resolutions adopted at meetings of the Committee and recorded in minutes of such meetings or in a written record signed by all Members. Such resolutions constitute the authorization for management to take all appropriate measures.

2.8 *Minutes of meetings.* Minutes of meetings of the Committee are approved by the Committee and are filed, for information, with the Board.

2.9 *Other Meetings*. The Committee shall periodically meet separately and privately with management and external auditors.

3. Duties and Responsibilities of the Committee

3.1 *General*. The Committee has, among others, monitoring responsibilities regarding the financial information, risk management and monitoring of internal controls and monitoring of the external auditors.

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[1] Pursuant to the Toronto Stock Exchange Guidelines, an "outside director" is a director who is not a member of management.
[2] Pursuant to the Toronto Stock Exchange Guidelines, 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 interests of the corporation, other than interests and relationships arising from shareholding.
[3] Defined by the Canadian Securities Administrators in Multilateral Instrument 52-110 as a director who has no direct or indirect material relationship with the Corporation.
[4] Defined by the Canadian Securities Administrators in Multilateral Instrument 52-110 as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3.2 Regarding the review of financial information, it is the Committee's duty and responsibility to, among others:

- Verify the quality and the integrity of the accounting process and the financial reporting process, of controls, of information communication procedures and of the company's internal control systems, through discussions with management and the external auditors;
- Review the following documents, seek from management explanation on each important variance with corresponding periods, where applicable, and recommend their approval to the Board, before they are released to the public: all company documents containing financial information, whether or not the information is consolidated or audited, including: interim and annual financial statements, prospectuses, annual notices, notes, management reports and analyses, press releases, earnings forecasts, etc.;
- Review changes to accounting policies and practices adopted by the company and discuss with management and the external auditors bases of accounting and reporting as well as the proposals of regulatory agencies.
- Ensure that there are no unresolved problems at issue between management and the company's external auditors or other difficulties facing the external auditors that could affect the financial statements.
- Review established procedures for reviewing financial information extracted or derived from the financial statements apart from the information covered by the above points, and periodically assess the adequacy of these procedures.
- Review, together with management and the external auditors:
  - the presentation of the Company's financial information according to generally accepted accounting principles;
  - suggested changes to the Company's accounting principles and policies;
  - the reasonable nature of provisions, reserves and estimates that could have a significant effect on the presentation of financial information;
  - important decisions relating to the presentation of financial statements.
- Review the impact of new regulatory or accounting measures, as well as off-balance sheet structures, on the Company's financial statements.

3.3 Regarding risk management and monitoring of internal controls, it is the Committee's duty and responsibility to, among others:

- Obtain from management an overview of the risks, principles, procedures and control measures related to the integrity of the financial reporting.
- Review, with management:
  - the risk management policy and the changes that should be made to it;
  - its assessment of significant risks to which the Company is exposed;
  - the programs and processes used to manage and control these risks;
  - the Company's degree of tolerance for these risks;
  - the governance structure, capitalization and policies concerning the Company's pension plan investments and oversee the management of the Company's pension plan investments.
  - the Company's communication policy to ensure its compliance with applicable laws and regulations.
- Ask management to establish and maintain reliable internal control systems and review the procedures implemented to assess the efficiency of the systems.
- Review the process relating to certifications that must be included in the Company's public disclosure documents and discuss this with the Chairman of the Board and Chief Executive Officer and the Executive Vice President and Chief Financial Officer.
- Establish procedures relating to the receipt, retention and handling of complaints about accounting, internal accounting controls, or the audit, as well as concerns expressed by the Company's employees with regard to debatable accounting or auditing points.
- Ensure that communications remain confidential and anonymous.
- Review the Company's insurance protection to ensure that it is adequate.
- Review and discuss with management and external auditors the effectiveness of policies and procedures ensuring compliance with statutes, regulations and financial commitments.
- Review the list of the Company's major disputes as well as the measures taken by management.
- Review tax planning that significantly affects the Company's finances.

3.4 Regarding the monitoring of external auditors, it is the Committee's duty and responsibility, among others, to:

- Ensure that external auditors report directly to the committee.

- Review the basis and the amount of the fees of external auditors for audit-related services as well as for authorized services other than audit-related.
- Recommend to the board the appointment or revocation of external auditors.
- Review and approve the hiring policies with respect to partners, employees, and former partners and employees of current and former external auditors.
- Act as the sole authority in matters relating to the prior approval of all non-audit services that the external auditors plan to provide.
- Review the external audit plan with the external auditors, and review the qualifications, independence, and objectivity of the external auditors, including written statements defining the relationship between the external auditors and the Company, which could affect their independence and objectivity, and recommend measures for the board to take to ensure the independence of external auditors.
- Assume direct responsibility for overseeing the work of external auditors hired to establish or deliver an audit report or provide other auditing, review or certification services, including responsibility for resolving disagreements between management and the external auditors concerning the financial information.
- Discuss with external auditors the quality and not just the acceptability of accounting principles, including:
    - the main accounting policies and practices used;
    - other treatments of financial information that have been the subject of discussions with management, the scope of their use and the treatment preferred by the external auditors;
    - other significant written communications between management and the external auditors.
- Review, once yearly, a report prepared by the external auditors describing:
    - their internal quality control procedures;
    - all significant questions raised within the context of the last internal quality control review (or peer review) of the external auditors' firm or any request for information or investigation by a governmental or professional authority, during the last five years, relating to one or several independent audit assignments carried out by the external auditors' firm, as well as all measures taken to resolve questions of this nature.
- Review actions taken by management in response to the external auditors' recommendations.
- Satisfy itself of the compliance to laws and regulations with regards to: (i) rotation of the lead audit partner, the concurring partner and the other partners assigned to the audit And (ii) their participation in the Canadian Public Accountability Boards' program.

4. Powers of the Committee

4.1 *Experts and Counselors*. The Committee has the power to hire independent lawyers or other counselors that it judges necessary to the exercise of its duties. The Committee has the power to set the compensation to the counselors it employs. The Company provided the necessary funds to pay the compensation of such counselors.

4.2 *Direct Communication With External Auditors*. The Committee has the power to communicate directly with external auditors.

5. Evaluation of the committee's performance

5.1 *Performance*. Each year, the Committee shall assess and review its performance in collaboration with the Corporate Governance and Nominations Committee.

5.2 *Reporting*. The Committee shall give an account of its mandate to the Board once a year.

6. Charter

6.1 *Annual Review*. Each year, the Committee shall review the present Charter and suggest improvements to the Board for approval. The Committee must review the present mandate at least once a year and submit changes to the Board, if applicable.

6.2 *Effective Date*. The Charter is effective as of May 9, 2005.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Committee. Even though the Committee has a specific mandate and its members may have financial experience, they do not have the obligation to act as auditors or to perform auditing, or to determine that the Corporation's financial statements are complete and accurate.

Members of the Committee are entitled to rely, in the absence of information to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditor. The Committee's oversight responsibility has not been established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financing reporting principles or appropriate internal controls and procedures, or (ii) the Corporation's financial statements have been prepared and, if applicable, audited in accordance with generally accepted accounting principles or generally accepted auditing standards.

Approved by the Board, May 9, 2005
Amended by the Board, March 9, 2006
Amended by the Board, November 8, 2007