

BMTC Group Inc.

**CHARTER
OF THE AUDIT COMMITTEE**

August 10, 2004

1. **PURPOSE AND MANDATE**

The audit committee (the “Committee”) of BMTC Group Inc. (the “Company”) is a Committee of the board of directors of the Company (the “Board of Directors”). It is responsible for overseeing the accounting process, the presentation of the Company’s financial information, and the auditing of its financial statements.

This charter (the “Charter”), adopted by the Board of Directors, sets out the mandate and principal responsibilities of the Committee.

The principal duties of the Committee are to oversee the accounting and financial reporting procedures of the Company, as well as to audit its financial statements. This includes reviewing and overseeing financial reports, annual and interim management reports, and other financial information that the Company provides to any regulatory authority or the public, the Company’s systems of internal control regarding finances, accounting and regulatory compliance established by management and the Board of Directors, as well as Company auditing, accounting, internal control and financial reporting processes.

Consistent with this function, the Committee should encourage continuous improvement of, and foster adherence to, the Company’s policies, procedures and practices at all levels.

2. **COMPOSITION**

The Committee shall consist of no less than three members, including a chairman, all appointed by the Board of Directors. All members shall be directors of the Company.

All members of the Committee shall abide by the requirements in effect at any given time as regards the composition of the audit committees and the independence of their members, as these requirements may be promulgated by the relevant securities authorities, stock exchange on which the securities of the Company are traded and any other governmental or regulatory authority to which the Company is subject (individually, the “Regulatory Authority” and, collectively, the “Regulatory Authorities”), as the Board of Directors may see fit.

All members of the Committee shall have a working familiarity with basic finance and accounting practices, as the Board of Directors may see fit. At least one member of the Committee shall have accounting or related financial management expertise, as determined by the Board of Directors.

A person with no financial skills may be nominated to sit on the Committee, provided he acquire the necessary skills within a reasonable delay following his nomination on such conditions as may be established in applicable regulation and by the Board of Directors.

Unless they should resign, be removed from office or no longer qualify as director, the members and chairman of the Committee shall remain in office until the next annual shareholder meeting or until a successor is nominated, if any.

A member may step down from office upon written notice to the Company. Any Committee member may be removed from office by resolution of the Board of Directors, which may then fill any resulting vacancy. A Committee member who ceases being a director of the Company shall automatically cease being a member of the Committee.

The Committee may appoint a Committee secretary, who need not be a member of the committee or Board of Directors, and it may remove and replace him at any given time.

Committee members shall receive such remuneration for their services as the Board of Directors may from time to time determine, if any.

3. **OPERATIONS**

The Committee shall be called as often as is necessary to perform its duties, but no less than once quarterly, by the Chairman of the Board of Directors or the external auditors to discuss any specific issue.

Committee meetings shall be called by the Chairman of the Committee, by any other member of the Committee, by the Chairman of the Board of Directors or by the external auditors upon written notice of no less than two days prior to the date set for the meeting.

When necessary, the Committee may invite such other persons to its meetings, as it may deem necessary, whether or not these individuals are directors of the Company. Any member of Company management, the head of internal auditors and the external auditors, among others, may be invited to speak before the Committee, whenever necessary. The notice of meeting shall be sent to the external auditor or head of internal auditors who are invited to attend any such Committee meeting.

The quorum for Committee meetings shall be set at two of its members. No business may be transacted where no quorum is present.

Each member may cast one vote at Committee meetings. In the event of a tie vote, the Chairman shall not have the deciding vote.

Committee members may convene their meetings anywhere inside or outside Quebec and, should all agree, they may attend any such meeting using technical means that allow participants to communicate orally, such as by telephone.

A written resolution executed by all members of the Committee entitled to vote thereon shall be as valid as though adopted at a meeting.

The Committee may determine all aspects of its operational procedures. Should it fail to do so, it shall follow those that apply to the Board of Directors.

4. **RESPONSIBILITIES AND DUTIES**

Management of the Company shall be responsible for the preparation, presentation and integrity of the Company's financial statements, and for compliance with the appropriate

principles and practices that apply to accounting, financial reporting and to the internal controls and procedures that ensure compliance with accounting standards and applicable legislation.

External auditors shall be responsible for planning and auditing the annual financial statements of the Company, in keeping with professional standards.

The main purpose of the Committee is to review the relevance and efficiency of its activities while assisting the Board in its role of overseeing:

- (i) the integrity of the Company's financial statements;
- (ii) the skills and independence of external auditors;
- (iii) the performance of the duties of the internal auditors and external auditors of the Company;
- (iv) the relevance and efficiency of internal control; and
- (v) the Company's compliance with legal and regulatory requirements.

To honour its obligations and meet its responsibilities, the Committee shall:

Documents/Reports Review

- Review interim financial statements, annual financial statements and other elements of financial information presented in the annual and interim documents of the Company, and this prior to their publication; review statements made by management of the Company, management reports and press releases the Company may issue in connection therewith, and report thereon to the Board of Directors.
- Satisfy itself that the interim financial statements, annual financial statements and other elements of financial information presented in the annual and interim documents of the Company comply with generally accepted accounting principles and give, in all material respects, and accurate description of the financial situation of the Company, its operating results and cash flow for the relevant dates and periods, as the case may be, and recommend to the Board of Directors whether they are to be approved for inclusion in the filings required by regulatory authorities and for disclosure and publication purposes.
- Satisfy itself that the information contained in the Company's quarterly and annual financial statements, annual report to shareholders and other financial publications, such as management's discussion and analysis, annual information form (and similar documentation required by the Regulatory Authorities) and the information contained in a prospectus, registration statement or other similar document does not contain any untrue statement of any material fact or omit to

state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.

- Review material financial reports or other material financial information of the Company submitted to any Regulatory Authority, or the public.
- Review such matters and questions relating to the financial position of the Company and its affiliates or the reporting related thereto as the Board of Directors may from time to time refer to the Committee.
- Review, with management and the external auditors, all material changes proposed to be made to the policies and accounting practices followed by the Company.
- Review and update this Charter and evaluate its efficiency in meeting its mandate as circumstances may require, but no less than once a year or at any time upon request of the Board of Directors.

External Auditors

- Recommend to the Board of Directors the appointment, remuneration, renewal of mandate or, where applicable, termination of external auditors (including the proposal not to retain or to terminate) and oversight of any external auditor engaged by the Company for the purpose of preparing or issuing an audit report or related work.
- Ensure that the external auditors of the Company are “independent” of management, in keeping with industry best practices. Obtain from the external auditors, at least annually, a formal written statement delineating all relationships between the external auditors and the Company.
- Satisfy itself that management of the Company or the external auditors give prior notice of any mandate pertaining to an audit issue that was or would have been entrusted to an accounting firm others and the external auditors.
- Approve in advance any audit and non-audit mandate awarded to external auditors and adopt and implement policies for such pre-approval and review all remuneration paid to external auditors, including for such additional audit and non-audit services; in cases of an emergency, the chairman of the Committee, acting independently, shall be authorized to approve in advance any and all audit and non-audit mandates awarded to external auditors.
- Review the performance and the remuneration of the external auditors and recommend to the Board of Directors the discharge of the external auditors when circumstances warrant.
- Oversee the work of the external auditors and satisfy itself that the audit function has been effectively carried out and that any matter which the external auditors

wish to bring to the attention of the Board of Directors has been settled and that there are no “unresolved differences” with the external auditors. Be directly responsible for the resolution of any disagreements between management and the external auditors regarding reporting matters.

- Ensure the orderly transition of files in the event of a change of external auditors, and review any issue referred by Regulatory Authorities regarding financial reporting procedures.

Financial Reporting Procedure and Risk Management

- Review the audit plan of the external auditors for the current fiscal year, review the integration of the external audit with the internal control program and review advice from the external auditors relating to management and internal controls, and the Company’s responses to the suggestions made therein.
- Monitor the Company’s internal accounting controls, informational gathering systems and management reporting on internal control. In connection with fulfilling this responsibility, the Committee shall receive a report on at least an annual basis from the Company’s chief executive officer and chief financial officer in connection with the such officer’s evaluation of internal control over financial reporting as to (1) all significant deficiencies and material weaknesses in the design and operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize, and report financial information; and (2) any fraud of which they are aware, whether or not material, that involves a member of management or other employees who have a significant role in the Company’s internal control over financial reporting. The Committee shall direct the actions to be taken and/or make recommendations to the Board of Directors of actions to be taken to the extent such disclosure indicates the findings of any significant deficiencies in internal control over financial reporting or fraud.
- Assess, with management and the external auditors, the relevance and adequacy of the accounting principles and practices of the Company and its internal controls over the communication of financial information, and examine and approve any material changes made thereto.
- Obtain annually from the external auditors, in connection with an audit report and prior to the filing of such audit report, a report presenting the adequacy of the internal audit and financial controls, specifically including (1) critical accounting policies and practices to be used, (2) all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramification of the use of these alternatives and the treatment preferred by the external auditors, and (3) material communications between management and the external auditors.

- Satisfy itself that the Company has implemented appropriate systems of internal control over financial reporting and monitor the annual review and evaluation by management of internal controls over financial reporting. The Committee shall also satisfy itself that the Company has implemented appropriate systems of internal controls over the safeguarding of the Company's assets and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the Company's assets, management, financial and business operations and the health and safety of its employees and that these are operating effectively; make appropriate recommendations to the Board of Directors in connection with the foregoing.
- Review and approve all hiring policies of the Company and its subsidiaries as regards their partners, employees and former partners and employees, and as regards the employees of our current and former external auditors.
- Review and approve all related party transactions for potential conflict of interest situations on an ongoing basis. "Related party transactions" shall refer to transactions required to be disclosed pursuant to applicable securities regulations and stock exchange regulations or policies.
- Regularly inquire as to the skills and performance of staff that the external auditors assign to finances, accounting and internal controls.

Legal and Regulatory Compliance

- Satisfy itself that all material statutory deductions have been withheld by the Company and remitted to the appropriate authorities.
- Establish procedures for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters;
 - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters (commonly referred to as the "Whistleblowing Policy"); and
 - any other material matter of interest to the Company.

Budgets

- Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

General

- Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Committee or the Board of Directors may deem necessary or appropriate.

Powers

The Committee shall have the power to:

- Retain, at the expense of the Company, the services of any external advisor it may deem necessary to satisfy its obligations and set their remuneration.
- Subject to the provisions of applicable regulations, vest one or several of its members with the power to approve in advance non-auditing services, as provided for herein.
- Conduct any inquiry into allegations of embezzlement, fraud or the manipulation of the Company's financial reporting.
- Communicate directly with external or internal auditors of the Company with respect to any issue lying within the purview of the Committee.
- Have full and unrestricted access to:
 - all books, accounting records and other similar documents of the Company and its subsidiaries;
 - all reports, compilations, analyses and ancillary information of the Company and its subsidiaries, and the Company shall make any member of management or other employee available to assist the Committee in its duties.