

## INFORMATION CIRCULAR FOR SOLICITATION OF PROXIES

**This circular is provided in connection with the solicitation of proxies by the management of Roctest Ltd. (the “Company”) for use at the Annual General Meeting of the shareholders of the Company (the “Meeting”) to be held on May 12, 2008 at the place, time and for the purposes set forth in the accompanying Notice of Meeting. Unless otherwise indicated, the information provided herein is provided as at March 25, 2008.**

### SOLICITATION OF PROXIES

The solicitation of proxies will be made primarily by mail. However, management of the Company may delegate to regular employees the responsibility to solicit proxies personally or by telephone at minimal costs. The Company does not expect to pay any compensation for the solicitation of proxies, but will pay brokers and other persons holding shares for others in their own names or in the names of their nominees, the reasonable expenses incurred for sending proxy material to beneficial owners in order to obtain their voting instructions. The Company will bear all expenses in connection with the solicitation of proxies.

### APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are senior executives of the Company. **A shareholder may elect to appoint a person, who need not be a shareholder, other than the persons designated in the enclosed form of proxy. In order to do so, the shareholder must sign and insert the name of his nominee in the space provided in the form of proxy or prepare and sign another proxy in proper form appointing his nominee and, in both cases, deliver the proxy in accordance with the procedure described below.**

In order to be voted at the Meeting, proxies must be deposited with Computershare Trust Company of Canada, before 5:00 p.m., Montreal time, on Thursday, May 8, 2008, or delivered to the chairman of the Meeting prior to the Meeting (or any adjournment thereof). Any shareholder giving such proxy may revoke it at any time by an instrument in writing, executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or executed by a duly authorized senior executive or representative, and deposited in the foregoing manner or at the head office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or with the president or secretary of the Meeting on the day of the Meeting or any adjournment thereof.

### EXERCISE OF DISCRETION BY PROXYHOLDERS

The persons whose names are printed on the enclosed form of proxy will vote all the shares in respect of which they are appointed to act in accordance with the instructions given on the form of proxy. **If no voting instructions are indicated on any matter, or if more than one choice is indicated, the common shares will be voted by the proxyholder FOR such matter.**

Every proxy given to any person in the enclosed form of proxy will confer discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters that may properly come before the Meeting or any adjournment thereof. As of the date hereof, the Board of Directors is not aware of any such amendment or any other business which may be brought before the Meeting other than those matters specified in the Notice of Meeting.

### NON-REGISTERED HOLDERS

Non-registered shareholders or shareholders that hold their shares in the name of a “nominee” such as a bank, trust company, securities broker or other financial institution, must seek instructions from their nominees as to how to complete their form of proxy if they wish to vote their shares themselves. Non-registered shareholders will have received this circular in a mailing from their nominee, together with a form of proxy or voting instruction form. It is important that non-registered shareholders adhere to the voting

instructions provided to them by their nominee. Since the Company's registrar and transfer agent, Computershare Investor Services Inc., does not have a record of the names of the Company's non-registered shareholders, Computershare Investor Services Inc. will have no knowledge of a non-registered shareholder's right to vote, unless the nominee has appointed the non-registered shareholder as proxy holder. Non-registered shareholders that wish to vote in person at the Meeting must insert their name in the space provided on the form of proxy or voting instruction form, and adhere to the signing and return instructions provided by their nominee. By doing so, non-registered shareholders are instructing their nominee to appoint them as proxy holder.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of March 25, 2008, there were 5,563,071 common shares issued and outstanding, each carrying one vote at the Meeting or any adjournment thereof. The Company has set the close of business on April 7, 2008 as the record date for the purpose of determining shareholders entitled to receive the Notice of Meeting. Such holders of common shares will also be entitled to vote at the Meeting and at any adjournment thereof unless their common shares have been transferred and the transferee has produced duly endorsed certificate(s) representing the transferred common shares or has otherwise established ownership of the transferred common shares and has requested, at least ten days before the Meeting, that such transferee's name be duly entered on the register of transfers of the Company, in which case the transferee shall exercise the voting rights attached to the common shares.

As of March 25, 2008, to the best of the management's knowledge, the following persons owned, directly or indirectly, as holders of record or as beneficial owners, or exercised control or direction over 10% or more of the common shares of the Company:

Name and residential place	Number of common shares held	Percentage
Fonds de solidarité des travailleurs du Québec (F.T.Q.) Montreal, Quebec	1,504,709	27%
Natcan Investment Management Inc. Montreal, Quebec	720,926	13%
QVT Financial LP New York, NY	637,600	11%

## ELECTION OF DIRECTORS

The Board of Directors of the Company may consist of a minimum of three (3) and a maximum of nine (9) directors. **The persons named in the enclosed Form of Proxy intend to vote the shares represented by the form of proxy FOR the election as directors of the six persons whose names are set forth below unless otherwise instructed.** Mr. Richard Bourget, director of the Company since 2001, will not be standing for reelection as a director at the next Annual General Meeting. Each director will be elected to hold office until the next annual general meeting of shareholders or until a successor is duly elected or appointed, whichever is earlier, unless the office is vacated earlier in accordance with the relevant provisions of the applicable laws.

The following table and notes provide the name of each person proposed to be nominated for election as a director, the position held by each such person in the Company, the present principal occupation, the number of years of service with the Company as a director and the number of common shares of the Company beneficially owned, directly or indirectly, as at March 25, 2008 or over which control or direction was exercised by such person as at that date.

<b>Name and position held in the Company</b>	<b>Principal occupation</b>	<b>Director since</b>	<b>Number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised</b>
Normand Bourque <sup>(1)(2)</sup> Lorraine, Québec Director	Company director	2002	9,300
François Cordeau <sup>(3)</sup> Bromont, Québec President and CEO and Director	President and CEO of the Company	2004	5,000
François Gilbert <sup>(1)(2)</sup> Québec, Québec Director	Company director	2004	2,500
John Le Boutillier <sup>(2)(4)</sup> Montréal, Québec Chairman of the Board and Director	Chairman of the Board, Industrial Alliance, Insurance and Financial Services inc.	2004	12,500
Normand Morin Montréal, Québec Director	Company director	2006	–
Colette Roy <sup>(1)</sup> Montréal, Québec Director	Portfolio Manager, Fonds de solidarité des travailleurs du Québec (F.T.Q.)	2006	–

(1) Member of the Audit Committee.

(2) Member of the Human Resources and Corporate Governance Committee.

(3) Mr. Cordeau was, but is no longer, a director of PHS MEMS which, in February 2004, was put in judicial liquidation pursuant to a court order according to the French law of January 15, 1985.

(4) Mr LeBoutillier was, but is no longer, a director of McWatters Mining Inc. (“McWatters”) which filed, in January 2004, a notice of intention to make a proposal to its creditors under the Bankruptcy and Insolvency Act and was the subject of a cease trade order. The proposal presented by McWatters was accepted by its creditors in June 2004 and, thereafter, ratified by the Superior Court of Quebec in July 2004.

Information as to common shares beneficially owned by each nominee, or over which each nominee exercised control or direction, as at March 25, 2008, being information not within the knowledge of the Company, has been provided by the nominees individually.

#### **Additional information on the nominees as directors**

Normand Bourque	Mr. Bourque, CA, is a company director. Between February 1996 and October 2002, he was President and Chief Executive Officer of NORDX/CDT, a data transmission cable manufacturer. Prior to that date, Mr Bourque held numerous senior management positions at Northern Telecom Ltd. He has been president of the Quebec chapter of the Electrical and Electronic Manufacturers Association of Canada (EEMAC). He is a member of the board of the National Optics Institute.
François Cordeau	Mr. Cordeau is President and Chief Executive Officer of Roctest since September 2004. Prior to that date, he was Senior Vice President at Mitel Corporation and General Manager of Mitel Semiconductors from 1998 to 2001. He worked as a consultant until 2003 when he joined the Caisse de dépôt et de placement du Québec as senior partner for private investments. He is a graduate from Sherbrooke University in electrical engineering and holds a master’s degree in the same field

	from Waterloo University.
François Gilbert	Mr. Gilbert is a company director and President of FIER-Succès. He is Chairman of the Board of Medicago (alfalfa based protein production) and of Opto-sécurité and a director of Dynagram (printing software). François Gilbert is a member of the Institute of Corporate Directors and a graduate of the Corporate Governance College at McGill University. For ten years, François Gilbert was Vice President and COO of Gestion Charles Sirois, a private investment holding.
John LeBoutillier	A lawyer by training and MBA, Mr. LeBoutillier was an employee of The Price Company Limited for ten years and was president and CEO of Sidbec-Dosco Inc. (now Mittal Canada Inc.) from 1983 to 1996 and of Iron Ore Company of Canada from 1996 to 2000. He is currently Chairman of the Board of Industrial Alliance, Insurance and Financial Services inc. He is a director of Shermag inc., of Mazarin Inc./Asbestos Corporation Limited, of Semafo Inc. and of Société générale de financement du Québec.
Normand Morin	An engineer by training, Mr. Morin has more than thirty years of experience in the management of major projects in North America, Asia and Africa, as well as in the general management of engineering-construction companies. He spent most of his career at Lavalin Inc., and subsequently, at SNC-Lavalin Group Inc. At the time of his retirement from SNC-Lavalin Group in December 2004, he was Executive Vice President and a member of the President's Office since 1996. He holds a B. Sc. A from Sherbrooke University, an M. Sc. from the Imperial College of London and a Ph D. from MIT. Mr. Morin is a director of Canam inc.
Colette Roy	Ms Roy is Portfolio Manager, Industrial Innovations, Electric and Electronic Products and Environment, at the Fonds de solidarité des travailleurs du Québec (F.T.Q.). She has 17 years of experience in business financing, including nine years in venture capital, acquired at the Fund. With numerous investments to her credit, Colette Roy serves on various boards of directors and is actively involved in certain strategic committees. Before joining the Fonds de solidarité des travailleurs du Québec (F.T.Q.), she worked in SME financing at Desjardins and at the Business Development Bank of Canada. Colette Roy holds an MBA in finance from HEC and a Bachelor in Urban Planning from UQAM.

## Attendance of Directors at Board and Committee Meetings during the 2007 Fiscal Year

Director	Board	Audit Committee	Human Resources and Corporate Governance Committee
Richard Bourget	8/8	-	-
Normand Bourque	8/8	7/7	1/1
François Cordeau	8/8	-	-
François Gilbert	8/8	7/7	1/1
John LeBoutillier	8/8	-	1/1
Colette Roy	8/8	7/7	-
Normand Morin	8/8	-	-

### Compensation of Directors

An annual retainer fee of \$4,000 is paid to each director who is not a full-time employee of the Company. An additional amount of \$2,500 is paid to the Chairman of the Board. Furthermore, an attendance fee of \$750 is paid to each independent director for each Committee or Board Meeting attended in person. The fee is \$400 if the director attends such meeting by telephone. For the fiscal year ended December 28, 2007, the total compensation paid in cash to directors was \$72,033. Exceptionally in 2007, in line with salary reductions that affected the executives and the employees, the directors took a 20% reduction in their compensation for the first six months of the 2007 fiscal year.

In 2002, three directors received 4,500 options each to purchase shares at an exercise price of \$4.20 per share.

## REPORT FROM THE HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE ON EXECUTIVE COMPENSATION

### *Compensation Policy*

The Compensation Policy is determined and reviewed annually by the Human Resources and Corporate Governance Committee. It consists in offering to executive officers of the Company a competitive compensation package including: base salary, short-term incentives in the form of a bonus based on the responsibilities of the officer and the achievement of objectives, a benefit package providing the executive officer with medical protection and protection in the event of death or disability, as well as a long-term incentive plan in the form of a stock option plan.

### *Base Salary*

Base salaries are reviewed annually by the Human Resources and Corporate Governance Committee based on each executive officer's responsibilities, competencies and contribution to the Company's success. The Human Resources and Corporate Governance Committee submits all salary increases granted to officers to the Board of Directors for approval. In 2007, the salaries of the executives based in Canada have been reduced by 20% for a period of 10 weeks, in an effort to improve the financial performance of the Company.

### *Short-Term Incentive*

Executive officers participate in an annual bonus plan adapted to their responsibilities within the Company. The purpose of this plan is to provide these key employees with an incentive to increase the growth and profitability of the Company and offer a cash reward based on the achievement of personal objectives and of a performance derived from the Company's strategic plan, as reflected in its annual budget. These executive officers are eligible for a target bonus for fully achieving the objectives, as defined early in the year by the

Human Resources and Corporate Governance Committee for the short-term incentive plan purposes. The Human Resources and Corporate Governance Committee has the discretion to waive minimum profitability requirements when exceptional strategic achievements are realized during a year which could increase the value of the Company over the long-term. The performance indicators are the profitability of the Company, based on earnings before taxes (EBT), and the achievement of personal objectives. For 2007, the performance indicators and personal objectives were not defined.

### ***Long-Term Incentive Plan***

The long-term incentive plan essentially rests on share purchase options granted to officers and to middle managers. The purpose is to increase the development of loyalty of employees and to encourage them to continue the Company's growth strategy. The grants are approved by the Board on recommendation of the Human Resources and Corporate Governance Committee.

### **Compensation of the President and Chief Executive Officer**

The above mentioned compensation policy applies also to the President and Chief Executive Officer. The base salary of Mr. François Cordeau was negotiated prior to the commencement of his employment in September 2004. It is subject to an annual review by the Human Resources and Corporate Governance Committee and the Board of Directors. In 2007, the salary of the President and Chief Executive Officer has been reduced by 20% for a period of 10 weeks like all the Canadian based employees, in an effort to improve the financial performance of the Company.

The President and Chief Executive Officer is entitled to a bonus equivalent to 40% of his base salary, not exceeding 60%, if the financial objectives of the Company and the individual objectives are met or exceeded. The bonus is based 75% on the achievement of the financial objectives and 25% on the achievement of individual objectives.

With regard to long term incentive, the Board of Directors granted 150,000 share purchase options to the President and Chief Executive Officer at the time of his employment.

For the Human Resources and Corporate Governance Committee

Normand Bourque, Chairman  
Francois Gilbert  
John LeBoutillier

### **Summary Compensation Table**

The following table sets forth the compensation for the President and Chief Executive Officer, and the Vice President, Finance and Chief Financial Office. No other executive officer of the Company received a salary and other incentive compensation exceeding \$150,000 during the last financial year for services rendered in all capacities during the financial years ended December 28, 2007, December 29, 2006 and December 30, 2005.

Name and principal position	Year	Annual Compensation			Long-term compensation	All other compensation (\$)
		Salary (\$)	Bonus (\$)	Other annual compensation (\$) <sup>(1)</sup>	Number of securities under options granted	
François Cordeau President and Chief Executive Officer	2007	216,338	–	27,835	–	–
	2006	225,984	–	20,994	–	–
	2005	215,551	–	–	–	–
Patrick Savaria, Vice President, Finance and Chief Financial Officer <sup>(2)</sup>	2007	116,534	–	–	–	–
	2006	93,183	–	–	–	–
	2005	80,694	7,500	–	–	–

- (1) In 2007, the Other annual compensation for Mr. Cordeau is for the use of a Company car and the associated operating expenses.
- (2) Mr. Savaria left the company on April 27, 2007 after nearly 10 years as corporate controller. He returned in the position of Finance Director on June 18, 2007 and has been named VP of Finance and CFO of the Company on February 27, 2008.

During the most recently completed financial year, the total compensation paid to the Named Executive Officers was \$360 757.

### Employment Contracts

The Company has entered into the contracts described hereafter with the Named Executive Officers with respect to employment, termination of employment, a change of control or a change in responsibilities following a change of control.

The Company has entered into an agreement with Mr. Cordeau which provides for a minimum base salary of \$215,000 per year and an annual bonus of up to 60% of his salary depending upon the achievement of his objectives. His employment contract also provides for options to purchase shares in order to encourage him to create value for the shareholders. Should the Company terminate his employment without cause, he will be entitled to an amount corresponding to eight months base salary.

### Stock Option Plan

With the exception of the 2005 Stock Option Plan adopted by the shareholders of the Company in May 2005 (the “2005 Stock Option Plan”), the Company does not have any long term incentive plan.

The purpose of the 2005 Stock Option Plan is to encourage the directors, executive officers, employees and consultants of the Company to promote the financial interests, growth and expansion of the Company, its subsidiaries and affiliates. The Board of Directors is responsible for the administration of the 2005 Stock Option Plan, but can delegate its powers to the Human Resources and Corporate Governance Committee. The persons eligible under the 2005 Stock Option Plan are the directors, executive officers, employees and consultants of the Company, of its subsidiaries and its affiliates and that are designated by the Board of Directors or any committee having the mandate to manage the Plan. A director who is also an employee of Fonds de solidarité des travailleurs du Québec (F.T.Q.) shall not be eligible to receive options pursuant to this Plan.

The maximum number of shares that may be issued under the terms of the 2005 Stock Option Plan cannot exceed 15% of the aggregate number of shares of the capital stock issued and outstanding of the Company

from time to time. The total number of common shares to be issued to a single person under the 2005 Stock Option Plan cannot exceed 5% of the total number of common shares then outstanding.

The exercise price per common share for the options granted under the 2005 Stock Option Plan is established by the Board of Directors at the time of the granting of options, but will not be lower than the weighted average of the transactions on the Toronto Stock Exchange or any other organized market where the shares are traded during the five working days prior to the date the option is granted.

Options granted under the 2005 Stock Option Plan may be exercised within ten years of the date of the grant. The options which have not been exercised prior to their expiration date will be annulled and will become invalid. The vesting terms to acquire shares under the 2005 Stock Option Plan are determined by the Board of Directors at the time of grant.

In case of death or disability of the holder, his options will be exercisable up to one year from the date of death or disability, but in no event later than the expiration date.

In the event that a holder leaves his employment with the Company, one of its subsidiaries or an affiliate, all options held by that person which have not been exercised will expire at the date of termination of employment. In the event that the Company, one of its subsidiaries or an affiliate terminated the employment of the holder, the options held by that person may be exercised within 60 days following the date of termination and, if the holder is a director or an executive officer of the Company, within 180 days following the date of termination of employment or mandate. In no event may the options be exercised after their expiration date.

The holder cannot, without the authorization of the Board of Directors, cede or sell his options.

The Board of Directors may, from time to time, modify or cancel the plan or modify or cancel any options granted under the terms of the plan without notice, provided that it obtains the approval of the regulatory authorities, including the Toronto Stock Exchange, as the case may be; it being understood, however, that such a modification of the plan cannot amend the rights of the holders with respect to the options granted under the plan without their prior consent.

Notwithstanding the provisions of the 2005 Stock Option Plan, the Board of Directors has limited, and plans to limit, to 10% of any future issue of common shares the number of common shares to be granted under this plan.

#### **Options Granted in the last Fiscal Year**

During the financial year ended December 28, 2007, no options were granted to the Named Executive Officers under the 2005 Stock Option Plan.

#### **Options exercised during the most recently completed Fiscal Year and Financial Year-end Option Values**

The following table summarizes, for each of the Named Executive Officers, the number of common shares of the Company covered by options exercised during the financial year ended December 28, 2007, if any, the aggregate value realized upon exercise, if any, and the total number of common shares of the Company covered by unexercised options held at December 28, 2007. The value of unexercised in-the-money options at December 28, 2007 is the difference between the exercise price of the underlying common shares of the Company and the fair market value on the Toronto Stock Exchange on December 28, 2007, which was \$0.35 per share. These values, unlike the amounts set forth in the column "Aggregate Value Realized", have not been, and may never be, realized. For a description of the main features of the options, see "Stock Option Plan". The underlying options have not been, and may not be exercised. Actual gains on exercise, if any, will depend on the value of the Company's common shares on the date of exercise. There can be no assurance that these values will be realized. The options are in-the-money at year end if the market price of the underlying shares at December 28, 2007 exceeds the exercise price of the option.

Name	Number of securities acquired on exercise	Aggregate value realized (\$)	Unexercised options as at December 28, 2007		Value of unexercised in-the-money options as at December 28, 2007	
			Exercisable	Unexercisable	Exercisable (\$)	Unexercisable (\$)
François Cordeau	-	-	150,000	-	0	-
Patrick Savaria	-	-	-	-	-	-

The Company is authorized to issue shares pursuant to the 2005 Stock Option Plan. This share purchase option plan has been previously approved by the shareholders at the time of its establishment.

The following table summarizes the information as of December 28, 2007 on the common shares to be issued upon the exercise of options or the exercise of warrants and rights under the terms of share compensation based incentive plan 2005 of the Company:

Type of plan	Number of common shares to be issued upon the exercise of options, warrants and rights outstanding	Weighted average exercise price of options or warrants and rights outstanding	Balance of common shares reserved to be issued under the terms of share compensation based incentive plans (excluding shares accounted for in the second column)
Share compensation based incentive plans approved by the shareholders.	2005 Plan: 300,500	\$2.54	343,682
Share purchase warrants	370,926	\$3.50	-
Share compensation based incentive plans not approved by the shareholders.	-	-	-

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of March 25, 2008, none of the directors or executive officers of the Company, nor their associates or affiliates, were indebted towards the Company or any of its subsidiaries.

#### **DIRECTORS AND OFFICERS' LIABILITY INSURANCE**

The Company maintains directors' and officers' liability insurance against losses arising during their terms of office. The liability insurance was renewed as of January 31, 2008 and the risk limits are \$10 million subject to a maximum deductible of \$100,000 for each loss. The total annual premium in respect of such insurance is \$26,100.

#### **APPOINTMENT OF AUDITORS**

The Board of Directors, upon the recommendation of the Audit Committee, recommends the appointment of Raymond Chabot Grant Thornton LLP Chartered Accountants, as auditors of the Company until the next annual general meeting and to authorize the Board of Directors to fix their remuneration.

Raymond Chabot Grant Thornton LLP have served as auditors of the Company since 2005.

**Unless it is specified in the Form of Proxy that the shares represented by the proxy shall be refrained from voting with respect to the appointment of auditors, the persons named in the accompanying Form of Proxy intend to vote FOR the appointment of Raymond Chabot Grant Thornton LLP as the auditors of the Company until the next annual meeting of shareholders, and FOR authorizing the Board of Directors to fix their remuneration.**

## PERFORMANCE GRAPH

The following graph compares the total cumulative return of a \$100 investment in common shares on December 31, 2002 and the cumulative performance of the S & P / TSX composite index of the Toronto Stock Exchange for the last five financial years of the Company.



## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company manages its affairs in accordance with the guidelines of the Canadian Securities Administration (CSA) (the “Guidelines”) concerning corporate governance and has adopted its own governance guidelines. National Instrument 58-101 respecting disclosure of corporate governance practices requires that issuers disclose the prescribed information in connection with their corporate governance practices. As described below, the Board of Directors of the Company is of the opinion that its corporate governance guidelines meet the Guidelines taking into account the Company’s own situation.

The information relating to corporate governance practices pursuant to the Guidelines, and the related practices in place at the Company, are set out hereafter and in **Schedule A**.

### Board Mandate

The Board of Directors is responsible for the overall stewardship of the Company. It may delegate certain duties and responsibilities to committees and to management and reserve certain powers to itself. Nevertheless, it has plenary power over the affairs of the Company.

The Board is comprised of a majority of members who are independent. The Company expects and requires that directors be and remain free of any conflict of interest and that they refrain from behaving in a manner that may be prejudicial or in conflict with the best interests of the Company. Every director must comply with the Company's code of ethics.

The primary duties and responsibilities of the Board are the following:

- supervising management of the Company. The Board will establish a sound and constructive relationship with the chief executive officer and other members of management;
- supervising and monitoring the long term strategic, financial and organisational objectives of the Company. It approves the three-year strategic plan of the Company and reviews it at least once a year;
- examining the short and long term results of the Company relative to established goals;
- examining on a regular basis the important risks and opportunities facing the Company and supervising the measures, systems and controls in place to manage and monitor these risks and opportunities;
- supervising the succession planning process, including the appointment, training and supervision of senior management and the chief executive officer in particular;
- supervising the Company's communications plan to address communications with shareholders and other stakeholders;
- supervising the Company's management information and internal control systems;
- overseeing the adoption by the Company of prudent financial policies and procedures concerning the business of the Company and prudent debt ratios relative to the Company's consolidated capital structure;
- examining and approving i) transactions outside the normal course of business, such as merger or acquisition proposals or other material acquisitions or divestitures; ii) all matters that may have a material impact on shareholders; iii) any proposed change to the compensation of directors as recommended by the Human Resources Committee.

#### **Human Resources and Corporate Governance Committee**

The Human Resources and Corporate Governance Committee is composed of three independent directors: Mr. Normand Bourque, Chairman of the Committee and Messrs. Francois Gilbert and John LeBoutillier. This Committee combines the Human Resources Committee and the Corporate Governance Committee which were two separate committees until May 2006. The Human Resources and Corporate Governance Committee held one meeting during the 2007 financial year.

The Human Resources and Corporate Governance Committee makes recommendations to the Board with respect to human resources planning, the compensation of directors, senior management and other employees, short and long term incentive plans, benefit plans and the appointment of senior management. More specifically, the Committee examines the performance of the chief executive officer and other executives against set objectives, employment contracts or termination arrangements with senior management, important organisational changes as well as the report by the Committee on executive compensation to be included in the management proxy circular. In the discharge of its responsibilities, the Committee has the authority to retain independent external advisors at the Company's expense, when the need arises.

The Human Resources and Corporate Governance Committee has the responsibility to make recommendations to the Board with respect to the adoption, modification and application of the Company's corporate governance rules and its code of ethics. The Committee is also responsible for the regular evaluation of the performance of the Board of Directors, its committees and the contribution of directors on an ongoing basis. The Board of Directors periodically reviews the evaluation of its performance and the recommendations made by the Committee in order to enhance the efficiency of the Board in the execution of its responsibilities. The Board takes appropriate measures based on the results of the review process.

## **Audit Committee**

The Audit Committee of the Company is composed of three independent directors who comply with the independence requirements of National Instrument 52-110 and who have financial literacy. The members of the Audit Committee are: Mr. Francois Gilbert, Chairman of the Audit Committee, Ms Colette Roy and Mr. Normand Bourque. The Audit Committee held seven meetings during the 2007 financial year.

The responsibilities of the Audit Committee, whose charter was amended in November 2007, include:

- the review of the annual audited financial statements as well as the unaudited interim financial statements;
- the review of all public disclosure documents containing audited and unaudited financial information of the Company;
- the review and assessment of the quality of the accounting policies and practices in respect of the financial information of the Company;
- the review and monitoring of the procedures and internal control systems, as well as the review of their relevance and effectiveness;
- the recommendation to the Board of Directors of the Company in respect of the appointment of external auditors, their remuneration, confirmation that the independence of the auditors is maintained, review of their mandate and on-going discussions with the external auditors;
- the identification, evaluation and management of risks associated with the company;
- the review of the audit plans;
- the establishment of procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- the establishment of procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting and auditing matters; and
- any other responsibility usually assigned to audit and risk management committees or assigned by the Board of Directors of the Company.

## **AVAILABILITY OF DISCLOSURE DOCUMENTS**

Copies of the Company's Annual Report (including audited financial statements and management's discussion and analysis), the annual information form and this circular and additional information regarding the Company may be obtained upon request to the Secretary of the Company or on the website of SEDAR at [www.sedar.com](http://www.sedar.com) . The Company may require the payment of a reasonable charge when the request is made by someone other than a shareholder.

## **APPROVAL OF THE BOARD OF DIRECTORS**

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

DATED at St-Lambert, Québec, March 25, 2008.



François Cordeau  
President and Chief Executive Officer

## SCHEDULE A

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate Governance Disclosure	Comments
<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	The Board of Directors comprises seven members of whom six are independent. The following directors, namely Ms. Colette Roy, Messrs Richard Bourget, Normand Bourque, François Gilbert, John LeBoutillier and Normand Morin are independent.
(b) Disclose the identity of directors who are not independent.	Mr. François Cordeau, President and Chief Executive Officer of the Company, is not independent.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.	A majority of directors are independent.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	This information appears in the circular under the heading "Additional information on the nominees as directors".
(e) Disclose whether or not independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	The independent directors meet separately after each regular Board meeting. There were eight such meetings during 2007.

Corporate Governance Disclosure	Comments
<p>(f) Disclose whether or not the chair of the board is an independent director, if the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</p> <p>(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer’s most recently completed financial year.</p>	<p>The Chairman of the Board, Mr. John LeBoutillier, is an independent director.</p> <p>The attendance record of each director for all Board meetings held during 2007 is set out under the heading “Attendance of directors at Board and Committee meetings during the 2007 fiscal year”.</p>
<p><b>2. Board Mandate</b></p>	
<p>Disclose the text of the board’s written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.</p>	<p>The role and responsibility of the Board are outlined in the circular under the heading “Board Mandate”.</p>
<p><b>3. Position Descriptions</b></p>	
<p>(a) Disclose whether or not the board had developed written position descriptions for the chair and the chair of each board committee. If the board has developed written positions description for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>The Board of Directors has developed a written position description for the Chairman of the Board which is set out in the Corporate Governance Policy adopted by the Board on March 28, 2002. Generally speaking, the Chairman of the Board leads the Board in carrying out its duties and is responsible for the organization and operation of the Board. The Chairman of the Board, together with the President and Chief Executive Officer, ensures the Board receives all necessary information and Board decisions are implemented. Specific duties include:</p> <ul style="list-style-type: none"> <li>• organizing, calling and presiding over meetings;</li> <li>• acting in an advisory capacity to the President and Chief Executive Officer;</li> </ul>

Corporate Governance Disclosure	Comments
	<ul style="list-style-type: none"> <li>• initiating the process of evaluating Board meetings;</li> <li>• under specific circumstances, liaising closely with the Chief Executive Officer to provide management support; and</li> <li>• ensuring the independent directors meet separately to freely discuss various issues.</li> </ul> <p>The Board of Directors has not developed a position description for the chair of each of the Board committees.</p>
<p>(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>The Board of Directors develops on a year-to-year basis in concert with the President and Chief Executive Officer his priorities and responsibilities and revises them from time to time, as required. He is responsible for managing the Company, providing for its overall success and profitability. His duties include the development of the mission, vision and strategy approved by the Board, determining the objectives of the Company, leading the management team and maintaining relationships with employees, customers, the investment community and shareholders.</p>
<p><b>4. Orientation and Continuing Education</b></p> <p>(a) Briefly describe what measures the board takes to orient new directors regarding</p> <ul style="list-style-type: none"> <li>(i) the role of the board, its committees and its directors; and</li> <li>(ii) the nature and operation of the issuer's business.</li> </ul>	<p>New directors are provided with a directors' manual along with an orientation program. New directors are given one or more information sessions and are provided with opportunities for meetings with the Chief Executive Officer and members of the executive management team and for visits to plants and facilities.</p>

Corporate Governance Disclosure	Comments
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>Annually, directors are provided with detailed and technical presentations on the state of the market, competition and Company positioning, product development, research as well as financial situation and risks.</p>
<p><b>5. Ethical Business Conduct</b></p> <p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p> <p>(i) disclose how a person or company may obtain a copy of the code;</p> <p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</p> <p>(iii) Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p> <p>(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>The Board of Directors has adopted, on March 28, 2002, a written code of ethics for the directors as well as a shorter code of ethics applicable to executive officers and employees.</p> <p>The code of ethics may be obtained upon request to the Secretary of the Company.</p> <p>The Chairman of the Board receives, at least once a year, verbal confirmation that each director complies with the code.</p> <p>The Company has not filed any material change report for the financial year ended December 28, 2007 pertaining to any conduct of a director or executive officer that constitutes a departure from the code of ethics.</p> <p>The code of ethics for directors includes a section dealing with conflict of interest guidelines and a declaration form to be used in the event of a conflict.</p> <p>Should the Company enter into transactions or contracts in respect of which a director or executive officer has a material interest, the director will not take part in any discussion or decision in respect of which the director has a material interest and he will not vote on the matter.</p>

Corporate Governance Disclosure	Comments
<p>(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The Board of Directors has adopted several policies and procedures in relation to the operations of the Company which are meant to encourage and promote a culture of ethical business conduct.</p>
<p><b>6. Nomination of Directors</b></p> <p>(a) Describe the process by which the board identifies new candidates for board nomination.</p> <p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.</p> <p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Human Resources and Corporate Governance Committee is responsible for recommending to the Board nominees for election or appointment to the Board.</p> <p>The Human Resources and Corporate Governance Committee is composed entirely of independent directors.</p> <p>The duties and responsibilities of the Human Resources and Corporate Governance Committee are to be found in the circular under the heading “Statement of Corporate Governance Practices”.</p>
<p><b>7. Compensation</b></p> <p>(a) Describe the process by which the board determines the compensation for the issuer’s directors and officers.</p> <p>(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.</p>	<p>The Human Resources and Corporate Governance Committee reviews on a regular basis the compensation of executive officers to ensure that their remuneration is in line with their duties and responsibilities having regard to the size of the Company.</p> <p>The Human Resources and Corporate Governance Committee is composed entirely of independent directors.</p>

Corporate Governance Disclosure	Comments
<p>(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p> <p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors or officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>The duties and responsibilities of the Human Resources and Corporate Governance Committee are to be found in the circular under the heading "Statement of Corporate Governance Practices".</p>
<p><b>8. Other Board Committees</b></p> <p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The only standing committees of the Board of Directors are the Audit Committee and the Human Resources and Corporate Governance Committee.</p>
<p><b>9. Board Evaluation</b></p>	
<p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively</p>	<p>On account of the small size of the Board of Directors, the Chairman of the Board is mainly responsible for making an assessment of the overall performance of the Board, its committees and individual members. He reports his findings to the Board.</p>