

# **BRANCHEZ-VOUS! inc.**

## **AUDIT COMMITTEE CHARTER**

as at May 4<sup>th</sup>, 2005

### **I. General objective and principle mandate**

The Audit Committee (the "Committee") is established by the Board of Directors (The "Board") of BRANCHEZ-VOUS! inc. (the "Corporation") in order to help the company fulfill their usual responsibilities. The Committee is especially in charge of monitoring the accounting processes, financial communications and the verification of the Company's financial statements.

The Committee's primary responsibilities are: examining the external auditing plan, internal auditing measures, accounting norms and practices, financial information and accounting systems, internal control and information security and risk management, in addition to reviewing annual and semi-annual financial statements and the Company's annual budgets before their approval by the Board.

The Committee must ensure the independence of the external auditors. The Committee must maintain a close collaboration between the Board, Management, and the internal and external auditors. The external auditors must report directly to the Committee.

### **II. Committee's composition**

The Committee is composed of at least three administrators. A majority of the Committee members must be independent according to the meaning of the regulation in effect. A majority of Committee members must have financial competence and be familiar with financial notions and accounting practices. Committee members and its Chairperson are appointed by the Board. If the Board does not appoint the Chairperson, he/she will be elected by the Committee members.

### **III. Meetings**

The Committee holds meetings at least four times per year, or more often, according to circumstances. A meeting can be called by the Committee's Chairperson, the Board's Chairperson, the Chief Financial Officer, internal or external Auditors.

Minutes of the Committee's meetings are prepared and submitted to the Board as soon as possible for information purposes. The Committee must submit a report of its activities for the next Board meeting following each Committee meeting.

A majority of the Committee members present at a meeting constitutes the quorum.

The Committee has the power to communicate directly with the external auditors and the Chief Financial Officer. It may also meet with the external auditors without the presence of the corporation's financial services representatives.

The Committee may pursue any investigation that it judges appropriate in order to fulfill its responsibilities and it has access to the Company's files and those of its subsidiaries. In the exercise of its functions, the Committee has the power to hire independent lawyers or other external counselor, if they judge it appropriate, and to negotiate and pay the fees of the counselors they hire.

#### **IV. Responsibilities and functions**

The Committee's Mandate requires :

##### Examination of documents/reports

- 1) Examine and re-evaluate, annually, the adequate content of its charter and submit it to the Board for its approval. The Committee must also ensure that the Charter is published in the Annual Report and on the Corporation's website.
- 2) Ensure that the information that must be revealed is included in the Corporation's Information Circular.
- 3) Examine, review and recommend the following documents to the Board for approval prior to their receipt or dissemination:
  - i. Un-audited interim financial statements
  - ii. Audited Annual Financial Statements and any document related to these financial statements.
  - iii. Any documents concerning information (audited or not) that must be disseminated, including management reports and press releases in reference to annual and interim reports.
- 4) Ensure that adequate procedures are in place in order to examine any report related to published financial statements and the communication of financial information extracted or derived from the Corporation's financial statements in order to ensure the uniformity of the information disclosed.
- 5) Obtain detailed explanations from the Management justifying any significant differences between comparable financial periods and any important variation between the budget and the reality, including the reality of present and past results.
- 6) Examine any uncertainty, obligation and eventual significant liability upon the presentation of financial information.

##### External Auditing

- 7) Recommend to the Board the choice of external auditors in order to establish or submit an auditor's report, or to offer other auditing services, examinations or attestations to the Company, as well as approving the nomination and fixing of their fees.
- 8) Ensure that the external auditors submit their reports directly to the Committee.
- 9) Pre-approve all services not related to the services that the external auditors must submit to the company or to its subsidiaries.
- 10) Adopt precise policy and procedures in order to obtain services not related to the services that the external auditors may provide.
- 11) Appoint the authority, under certain conditions, to one or more Committee members, the power to approve services not related to auditing.

- 12) Examine yearly the written report of the external auditor, identifying the important relationship they maintain with the Corporation or any element noticed that may jeopardize their independence, including a description of their services and fees and discuss the content of the report with them.
- 13) Evaluate the external auditors performance.
- 14) Approve the annual auditing plan.
- 15) Review the annual observations and recommendations of the external auditors and the comments of the Management in respect to them.
- 16) Review and discuss, yearly with the external auditors the quality and adequate nature of the accounting principles and practices used in the assessment and important decisions of the Management.
- 17) Monitor the external auditors' work in order to establish or deliver the audit report or other auditing services, examination or attestation of the Corporation, including the resolution of any disagreement between the Management and the external auditors relative to the financial information.
- 18) Hold annually one, or more if required, private session with the external auditors without the presence of Management in order to discuss any questions related to internal control and the accuracy of the financial statements, any discrepancy found in the execution of their auditing mandate, or about the level of the access to the required information.
- 19) Consider and recommend every five years, if necessary, a change of the external auditing service.
- 20) Examine and approve the company's hiring policies regarding the associates, employees, ex-associates and employees of the auditing company used in the past and present by the Company.

#### Internal auditing

- 21) Review any decision of the Management regarding the necessity of an internal audit, including the decision of hiring external services for this purpose and, in such a case, approve the choice of the supplier selected, if other than the actual external auditors.
- 22) Review and approve the nomination or replacement of the Chief Financial Officer who will report to the Board of Directors.
- 23) Approve the Chief Financial Officer's mandate and review the internal auditing plans and budgets annually.
- 24) Ensure the establishment of an efficient internal administration control regarding accounting and presentation of financial information, with a particular emphasis on the monitoring of the computer system.
- 25) Review, annually, the Management's report on the internal supervision.
- 26) Review the integrity of the company's internal monitoring of the computer system.
- 27) Review all important observations and recommendations related to an internal audit and the comments of the Management in this respect.
- 28) Ensure a close collaboration with the external auditors.
- 29) Ensure that the Chief Financial Officer has constant access to the Committee's Chairperson and to the Company's Directors, particularly to the Board's Chairperson and Chief Executive Officer.
- 30) Maintain private discussions with the employees of the accounting and finance departments and verify their independence concerning the execution of their mandate, the level of cooperation obtained from Management, the relationship with the external auditors and discussion of any important unresolved disagreements.

### Management of Financial Risks

- 31) Periodically review and discuss with the Management, internal and external auditors, the principle financial and commercial risks to which the Corporation is exposed, and about the measures taken by the company in order to control these risks, including risks related to the cash flow (exchange rate risk), to the integrity of the systems presenting financial information, and of any risks that may be associated with employee conduct.

### Process related to financial information

- 32) Examine in collaboration with the external auditors the integrity of the internal and external auditing processes controlling the presentation of financial information.
- 33) Consider and approve, according to circumstances, some changes to accounting principles and practices according to the recommendations of the external auditors and Management.
- 34) Ensure the establishment by the Management of an efficient internal control system so that financial statements, reports and other financial information conform to the law's requirements.
- 35) Evaluate any incident of fraud, illegal acts, conflict of interest, and transactions between related entities.
- 36) Establish procedures related to the reception, conservation and treatment of complaints received by the Company regarding accounting, accounting controls or internal and external auditing.
- 37) Establish procedures related to the confidential and anonymous, relay by the Company's employees, of any concerns they may have regarding accounting or auditing matters.
- 38) Examine actual or eventual claims and any other incidents reported to the Committee that may have an impact on the financial statements.
- 39) Carry out any other activity that the Committee or the Board judge as necessary or appropriate and that conforms to the present mandate, the Company's status and the laws that control it.

### Other

- 40) Evaluate, on an annual basis, the Committee's efficiency in regard to its mandate and report the results of this evaluation to the Board.