

CHARTER OF THE AUDIT COMMITTEE

This Charter establishes the composition and functioning, the general objectives as well as the authority, the roles and responsibilities of the Audit Committee of ADF Group Inc. (the "Corporation"). The authorities, roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Corporation and its subsidiaries.

1. COMPOSITION AND FUNCTIONING

- a) The Audit Committee (the "Committee") is composed of a minimum of three (3) and a maximum of five (5) directors of the Corporation, who are all independent, within the meaning of applicable law, and are financially literate.
- b) "Financial literacy" means the ability to read and understand financial statements presenting accounting issues that are generally comparable, in terms of breadth and level of complexity, to accounting issues that could reasonably be raised in the Corporation's financial statements.
- c) The Committee's member and president are appointed by the Board of Directors (the "Board").
- d) A member can resign his seat on the Committee and he may be removed from office and replaced at any time by the Board and he ceases to serve as a member of the Committee when he no longer acts as an officer of the Corporation. When a vacancy occurs within the Committee, and his seat is not filled, the remaining members exercise all of the Committee's authorities, providing they have quorum.
- e) The Committee meets at the request of its Chair, at least four times per year (at least one every quarter) or as often as needed to exam matters falling within its responsibilities referred to it by the Board.
- f) At every meeting of the Committee, the quorum established is a majority of members.
- g) The Committee shall keep proper minutes of its proceedings. These minutes must be signed by its Chair and entered in the minute book of the Corporation.
- h) The Committee has to report to the Board of Directors on or about its work, activities and recommendations at the meeting of the Board of Directors following the meeting of the Committee
- i) Subject to the Board's prior approval, the Committee may engage independent legal counsels or any other external consultant, at the expense of the Corporation, if it deemed necessary to assist the Committee in its duties. The Committee may set the compensation of such advisors.

2. GENERAL OBJECTIVES

The Committee's general objectives are as follows:

- a) To assist the Board in performing its duties, more particularly, to ensure that the Corporation's management assumes its responsibilities regarding;
 - the production of reliable financial information;
 - the identification of the Corporation's principal risks and the implementation of appropriate systems for risk management;
 - the integrity of the Corporation's internal controls and management information systems;
 - the Corporation's compliance with requirements of the stock exchanges, government agencies as well as laws and regulations; and
 - the application of a communication policy with shareholders and the general public;
- b) To establish effective communication channels between the Board, management and the external auditor;
- c) To reinforce the independent status of the external auditor; and
- d) To ensure the integrity of the published financial reports.

3. AUTHORITY, ROLES AND RESPONSIBILITIES

3.1. Monitoring of External Auditors

- a) The Committee recommends to the Board:
 - the appointment of the external auditor in order to establish, or deliver an audit report, or render other audit services, review or certification of the Corporation;
 - the mandate and fees of the external auditor.
- b) The external auditor is independent of the Corporation, its directors, officers and employees and reports directly to the Committee.
- c) The Committee oversees and reviews the work performed by the external auditor, its audit plans, its service fees and results of its audits as well as the special mandates assigned thereto. To that regard, the Committee may at any time directly communicate with the external auditor. The Committee meets at least one a year the external auditor, without the presence of Corporation's management.
- d) The Committee approves the non-audit services that may be provided to the Corporation or its subsidiaries, subject to the following exceptions:
 - in accordance with the laws, regulations and general instructions and other policies governing the services of the external auditor;
 - in accordance with the policies, preliminary approval procedures, the Committee may adopt from time to time with regard to non-audit services.
- e) The Committee must be informed when the Corporation's management is seeking an opinion from an accounting firm other than the appointed external auditor, on matters that would normally fall within the mandate of the external auditor, unless such opinions are requested by the lenders or other creditors of the Corporation.
- f) The Committee ensures that the external auditor obtained the full cooperation of the Corporation's employees and officers. In this regard, the Committee settles disagreements between the Corporation's management and the external auditor concerning financial reporting.
- g) The Committee reviews, the case may be, the letter of recommendation issued by the external auditor, as well as the Corporation's management reactions and the measures taken by management to correct the noted deficiencies.
- h) The Committee discusses the acceptability and the quality of the accounting principles of the Corporation with the external auditor.
- i) The Committee reviews questions relating to the appointment of a new external auditor, when applicable.
- j) The Committee reviews and approve hiring policies or the retention of services by the Corporation regarding business partners, employees and former associates and employees of the current and former external auditor of the Corporation.

3.2. Financial Reporting

- a) The Committee reviews the Corporation's financial statements, MD&A and press releases disclosing the Corporation's annual and quarterly net income, and recommends their adoption by the Board, prior to their publication.
- b) In addition to the annual and quarterly financial statements, the annual and quarterly MD&A, and the press releases mentioned above, the Committee reviews all documentation containing financial information, audited or not, amongst other, prospectuses and the Annual Information Form, and approves these documents or recommends their approval by the Board, as the case may be, prior to their publication.
- c) The Committee ensures that adequate procedures are in place to review the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than the financial information referred to in sections 3.2, a) and b) herein above, and periodically assesses the adequacy of those procedures.

- d) The Committee reviews the external auditor's reports.
- e) The Committee, together with the Corporation's management and the external auditor, reviews the different accounting policies and the changes proposed to those policies, as well as the different estimates performed by management that could have a material impact on the financial information.
- f) The Committee, together with the Corporation's management and the external auditor, reviews all important decisions with regards to the evaluation or presentation of the financial information.
- g) The Committee reviews the accounting treatment of material transactions outside the normal course of business.
- h) The Committee ensures coordination between the Corporation's management and stock exchanges, government authorities and the external auditor.

3.3. Internal Controls

- a) The Committee, through communications with the external auditor, ensures the effectiveness of the internal controls and the reliability of the financial information disclosed.
- b) The Committee remains informed, through the external auditor, of any weaknesses in the systems that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Corporation or from applicable laws and regulations.
- c) The Committee periodically reviews the financial management's organization chart, the circumstances surrounding the departure of officers in charge of finance, as well as the appointment of individuals to these functions.
- d) The Committee reviews the financial and accounting aspects of transactions between related parties.

3.4. Risk Management

- a) The Committee ensures that the Corporation's executives identify the principal risks of the Corporation's business and implement appropriate systems to manage these risks.
- b) The Committee, together with the Corporation's executives, conducts periodical reviews of identified risks as well of the measures implemented by the latter to monitor, mitigate or eliminate these risks.
- c) The Committee periodically reviews the most important legal disputes in which the Corporation, or its subsidiaries, is involved and makes sure the Committee and the Board are kept informed of the progress of these disputes.

3.5. Regulation Compliance

The Committee checks with the executives of the Corporation to ensure that the Corporation complies with stock exchanges, governmental bodies, as well as with law and regulation.

3.6. Complaints

- a) The Committee establishes a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters.
- b) The Committee establishes a procedure for the confidential transmittal, on condition of anonymity, by the Corporation's employees of concerns regarding questionable accounting or auditing matters.

3.7. General Provisions

- a) The Committee may perform any other duty which may be assigned to it by the Board in accordance with this Charter, the Corporation's by-laws, and applicable laws and regulations.
- b) The responsibilities of the Committee extend to the Corporation and its subsidiaries.