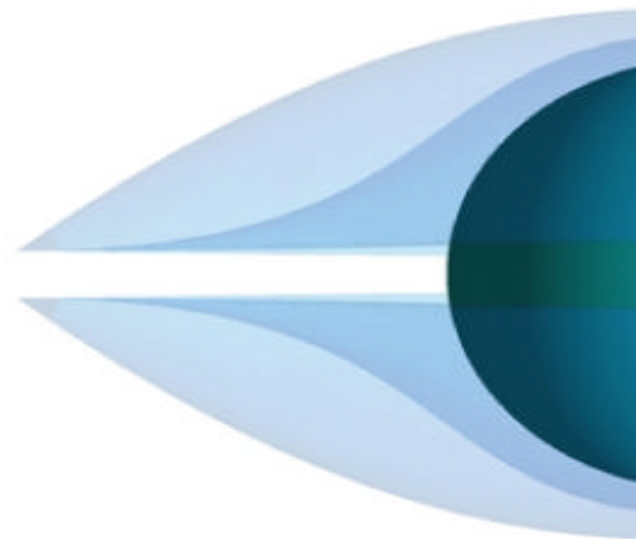


CHARTER OF THE AUDIT AND
RISK MANAGEMENT COMMITTEE

MERCATOR TRANSPORT
CORPORATION GROUP



OBJECTIVES AND PRINCIPAL RESPONSABILITIES

The Audit and Risk Management Committee (the "**Committee**") assists the Board of Directors (the "**Board**") of Mercator Transport Group Corporation ("**Mercator Group**") as follows :

Mandate of the Audit and Risk Management Committee :

- To monitor the financial aspects of the Mercator Group's activities;
- To recommend external auditors;
- To oversee external auditors' work;
- To pre-approve external auditors' services;
- To review financial statements, MD&A, annual and quarterly earnings statements and press releases;
- To evaluate the adequacy of processes;
- To establish and approve a policy regarding the hiring of partners, staff and employees;
- To assist the management regarding risks (strategy, cyclical, acquisition, structure and leadership);
- To determine risk probabilities (highest) and examine with the executive committee;
- To establish a Crisis Management Policy and to determine a resource person;
- To make reports to the Board.

Mandate of the Board of Directors towards the Committee :

- To examine Mercator Group's performances;
- To evaluate the Committee's efficiency;
- To review significant changes of the involved parties;
- To approve financial statements;
- To approve strategic planning;
- To approve the Crisis Management Policy and its resource person.

Mercator Group's external auditors report directly to the Committee and render account to the Board and to the Committee which represents shareholders.

The Committee is liable towards the Board and the shareholders as it assumes the responsibilities and duties described in section 9 herein.

COMPOSITION AND INDEPENDENCE

The Committee shall consist of at least three members, appointed every year among Mercator Group's Board Members.

The majority of the members of the Committee shall be independent, in conformity with the corporation's Board of Directors' Independence Process in force at that time.

Every member of the Committee shall be Financially Literate and at least one member shall have Accounting or Related Financial Experience.

**Charter of the Audit and
Risk Management Committee**

1. CHAIRMAN

The Chairman of the Committee shall be appointed by the Board. Should the Appointed Chairman no longer be able to chair a meeting of the Committee, the Committee shall then choose a Chairman among the members of the Committee present at that meeting.

The Chairman of the Committee may ask the Chairman of the Board that certain issues under responsibility of the Committee be submitted to the Board.

The Chairman of the Committee shall have the following duties :

- a) to manage the Committee to that the Committee may fulfill its duties and responsibilities efficiently, as prescribed elsewhere in the ongoing mandate and in any other appropriate way;
- b) to ensure, along with the Chairman Executive Officer (the “C.E.O.”), that the management and the members of the committee maintain meaningful relationship;
- c) to chair the meetings of the Committee;
- d) to establish, along with the C.E.O., the Corporate Secretariat and the Chairman of the Board, the frequency, the time and place of the meetings of the Committee;
- e) to examine, along with the C.E.O., the Corporate Secretariat and, if needed, other officers, the meeting agenda in order to ensure that every required issue is brought up to the Committee’s attention, so that the committee may efficiently fulfill its duties and responsibilities;
- f) to ensure, along with the C.E.O., that every decision requiring the approval of the committee is duly submitted to the Committee;
- g) to ensure the good communication of information to the Committee and to examine, along with the C.E.O., the Corporate Secretariat and, if needed, other officers, the cogency of the document submitted by the management to support their propositions as well as the date these documents bear;
- h) to give the Board a progress report of the issues addressed by the Committee and the decisions taken or the recommendation it expressed at a meeting of the Board following any meeting of the Committee; and
- i) to execute any particular assignment or duty assigned to the Committee by the Board.

2. SECRETARIAT

The Secretary of Mercator Group, an Assistant Secretary or any other designated person may act as the Secretary of the Committee.

**Charter of the Audit and
Risk Management Committee**

3. HOLDING AND CALLING OF MEETINGS

The Meetings of the Committee shall be held on date, time and place as determined by the Board. The Committee shall hold a meeting at least once every quarter. The Committee shall be informed annually of the date, time and place of a meeting by a written notice, no further notice being required.

An out-of-calendar meeting may be called by the Chairman of the Committee, the Chairman of the board, the C.E.O., any member of the Committee or the Vice-President.

A notice stipulating the purpose, the place, the day and time of every out-of-calendar meeting shall be sent to every member of the Committee by mail, telephone or by any other electronic communication mean, at least 24 hours prior to the day and time of the scheduled meeting.

Out-of-calendar meetings may be held by telephone or by any other communication mean that will permit all participants to communicate adequately with each other during the meeting. A member participating to a meeting by such communication mean is deemed to be present at the meeting.

External Auditors shall receive notice of meeting of the Committee and may attend to the auditing part of such meetings and to be heard.

After every ordinary meeting of the Committee, Members of the Committee hold a lock-up meeting, under the purview of the Chairman of the Committee.

4. QUORUM

The majority of the members of the Committee shall constitute quorum thereof.

Quorum shall exist for the entire duration of the meeting so that members of the Committee may properly debate and take a decision. However, a member who temporarily leaves the meeting is deemed to be present for the purpose of the quorum.

Subject to the foregoing, issues submitted to any meeting of the Committee which require a decision to be taken shall be approved by the majority of the votes of the members present. Should there be only two members present and that quorum is reached, every decision shall be approved by unanimity of the votes.

5. MINUTES

Minutes of every meeting of the Committee, duly approved thereby, shall be entered by the secretary in a record book maintained for this purpose.

Once approved, the minutes of every meeting of the Committee shall be transmitted to the Members of the Board, for information purposes for the subsequent meeting of the Board.

During the meeting of the Board, the Chairman of the Committee reports verbally every deliberation of any meeting of the Committee to the Board.

**Charter of the Audit and
Risk Management Committee**

6. VACANCY

A vacant office on the Committee may be filled by the Board, if it sees fit. A decision by the Committee shall not be invalid by reason only that an office of member is vacant, as long as there is quorum.

7. HIRING EXTERNAL ADVISORS

The Committee may :

- a) hire legal counsellors or any other independent advisor, as it deems necessary to advise and assist the Committee in the performance of its duties and responsibilities;
- b) fix and pay the remuneration of such counsellors or advisors; and
- c) communicate directly with the external auditors, the C.E.O., the Chief Financial Officer (the "C.F.O."), the Vice-President or any other officer of Mercator.

8. AUDIT AND RISK MANAGEMENT COMMITTEE EVALUATION AND REPORTING TO THE BOARD

The Committee shall annually, along with the Strategic Planning and Development Committee of the Board, evaluate and measure its performance.

Every year, the Committee evaluates the adequacy of its mandate and discusses that matter with the Strategic Planning and Development Committee of the Board.

The Committee shall report periodic accounting of its activities to the Board.

9. DUTIES AND RESPONSABILITIES

The Committee shall have the following duties and responsibilities:

A) Finance and Corporate Affairs

The Committee shall require from the Board the set up and carriage of appropriate internal control mechanisms and to review, evaluate and approve the said mechanisms.

The Committee shall examine, along with the C.E.O. the efficiency of Mercator Group's internal control policies and mechanisms.

(i) Internal Auditing

The Committee shall ensure independence and efficiency of internal auditors, notably by requiring that internal auditors are free from any influence that may impair their ability to fulfill their duties and responsibilities in an objective manner and by making sure that internal auditors are under the responsibility of an appropriate decision-making body.

**Charter of the Audit and
Risk Management Committee**

The Committee shall examine annually the mandate, the nature and the extent of the work done by internal auditors, shall examine and approve Internal Auditing Annual Plan, shall examine and approve Internal Auditing Annual Balance Sheet and shall make sure that internal auditors have the resources needed in order to achieve their mandate and their responsibilities.

The Committee shall examine quarterly and annual Internal Auditing Reports and shall ensure follow-up of the recommendations contained in the said Reports.

The Committee shall examine, if needed, the C.F.O.'s reports on significant recommendations for which no corrective measures were taken as directed.

The Committee shall participate in the elaboration of the succession plan for the C.F.O., shall review the recommendations of the C.E.O. regarding the appointment or the dismissal of the C.F.O. and shall make proper recommendations on this matter.

The Committee shall evaluate global performance of Internal Auditing, that of the C.F.O. and shall advise on the remuneration that shall be given to the C.F.O.

The Committee shall hold meetings with the C.F.O. in the absence of other officers.

The Committee shall examine and report to the Board any recommendation given by any regulatory body, by external auditors or by internal auditors.

The Committee shall ensure good collaboration between internal and external auditors.

(ii) External Auditing

The Committee shall oversee the work done by auditors appointed by the shareholders to express an opinion on Mercator Group's consolidated financial statements based on their auditing or to provide any other auditing, reviewing or attesting services to Mercator Group, including reviewing consolidated financial statements and resolving disagreements concerning financial information between management and external auditors.

The Committee shall address to the Board any recommendation regarding the appointment of external auditors, their remuneration, the nature of their work and the scope of their work.

The Committee shall ensure that the scope of the auditing planning is adequate, meaning that the plan is based on actual risks and that every important issue is discussed therein.

The Committee shall discuss with external auditors about the quality of the financial statements and shall ensure that the said financial statements provide users with assurance about the fairness of the way the statements have portrayed the Mercator Group's financial situation, results and cash flow.

The Committee shall study and discuss any report drawn by external auditors which indicates any factor that may influence their independence and objectivity.

**Charter of the Audit and
Risk Management Committee**

The Committee shall recommend measures to be taken by the Board in order to ensure independence of external auditors.

The Committee shall hold meetings with external auditors and the management in order to discuss on annual consolidated financial statements.

The Committee shall discuss with external auditors on the quality and acceptability of accounting principles applied in the preparation of Mercator Group's consolidated financial statements.

The Committee shall examine the annual recommendations from Mercator Group's external auditors and shall ensure follow-up of corrective measures to be taken by the management.

The Committee shall regularly hold meetings with Mercator Group's external auditors in the absence of management.

The Committee shall evaluate external auditors' global performance, including services other than auditing they may provide, and shall analyse the impact of such services on the auditors' independence.

The Committee shall adopt a policy and precise procedures regarding hiring external auditors to provide services other than auditing, and shall ensure every following conditions is fulfilled:

- a) such policy and pre-approval procedures are detailed as for the service provided;
- b) the Committee is informed of any service provided other than auditing; and
- c) such procedures do not allow the Committee to delegate any of its powers and duties to the management.

Such mandates, as well as those not encompassed by the above-mentioned policy, shall be specifically approved by the Committee.

(iii) Financial Analysis and Information

The Committee shall annually examine the mandate, nature and scope of the work of Financial Analysis and ensure that it has the resources it needs to fulfill its mandate and responsibilities.

The Committee shall examine consolidated financial statements, MD&A and press releases regarding Mercator Group's quarterly and annual financial results and shall recommend the approval to the Board before their release to the public.

The Committee shall ensure that adequate procedures are put in place in order to oversee communications to the public, by Mercator Group, of financial information pulled out or derived from its consolidated financial statements, and shall periodically evaluate the adequacy of these procedures.

**Charter of the Audit and
Risk Management Committee**

The Committee shall verify every investment or transaction that may harm Mercator Group's good financial situation, as soon as they are brought up to the attention of the Committee by external auditors or by an officer.

The Committee shall enquire the management on significant changes made by Stock Exchanges, Canadian Securities Administrators, or any other similar organisation as well as changes made to Canadian Generally Accepted Accounting Principles which may have an impact on preparation and/or disclosure of Mercator Group's consolidated financial statements and its subsidiaries' financial statements and shall inform the Board if needed.

The Committee shall examine the management report regarding any litigation, notice of assessment or any other such claim which may have a significant impact on Mercator Group's financial situation and shall ensure that significant claims are properly disclosed in the consolidated financial statements.

B) Risk Management

The Committee shall annually examine the Risk Management mandate and ensure that it has the resources needed in order to achieve its mandate and responsibilities.

The Committee shall examine every certification, attestation and/or reports required by any regulatory body under the competence of the Committee and shall recommend its approval to the Board.

The Committee shall require that the management render account to the Committee of the existence of an adequate, efficient and cautious management of the corporation's activities and the risks linked thereto, and that the said management contributes to the fulfillment of commercial objectives. The Committee shall report such information to the Board.

The Committee shall require that the management render account to the Committee of the fact that Mercator Group controls the situation, meaning that its activities are managed in conformity with strategic management, risk management, capital, cash flow and financing processes, that Mercator Group does business in an environment where it can control such factors, that significant problems are raised and that the management takes the appropriate measures to correct these problems. The Committee shall report such information to the Board.

The Committee shall examine quarterly reports by Risk Management regarding:

- a) risks status (credit, market, liquidities et operational) of Mercator Group;
- b) general provision's model and quantification of Mercator Group;
- c) the evolution of the work regarding operational and reputation risk management (quantitative and qualitative);

**Charter of the Audit and
Risk Management Committee**

- d) status of conformity to different policies relating to:
- ✍ operational risk management;
 - ✍ outsourcing;
 - ✍ reputation risks following complex structured finance operations.

Any operation with a related party shall be approved by the Board if, as a result of the operation, all loan and guaranty granted by Mercator Group to any of its subsidiaries or related parties exceed 2% of Mercator Group's regulatory capital.

(i) Risk Management

The Committee shall examine and approve global risk philosophy and Mercator Group's tolerance to risks.

The Committee shall understand every significant risk which Mercator Group is exposed to as well as techniques used to measure and manage such risks.

The Committee shall examine and recommend to the Board that significant risk management policies be adopted, such as policies relating to credit risks, market risks, structural risks, reputation risks, fiduciary risks and operational risks, including outsourcing risks.

The Committee shall ensure that such policies are duly carried out and are reviewed at least once a year.

The Committee shall require that management render account to the Committee of the existence of processes regarding significant risks detection, evaluation and proactive management. The Committee shall ensure respect of policies and control measures regarding this matter and report it to the Board.

(ii) Capital, Cash and Financing Management

The Committee shall understand Mercator Group's needs in capital, cash and financing.

The Committee shall examine and recommend to the Board that policies regarding cash and financing management and capital management be adopted. The Committee shall ensure that such policies are carried out and are reviewed at least once a year.

The Committee shall require that management render account to the Committee of the existence of any process regarding cash and financing management and capital management. The Committee shall ensure respect of policies and control measures regarding this matter and report it to the Board.

(iii) Credit

Subject to the third paragraph of the ongoing sub-section (iii), the Committee shall approve credit granted to clients, which exceeds powers delegated to Mercator Group's officers and defined in Mercator Group's credit risk management policies.

**Charter of the Audit and
Risk Management Committee**

The Committee shall examine the evolution of impaired loans, ensure follow-up thereof and approve the establishment of a provision on any such impaired loan, in conformity with the rules established in Mercator Group's credit risk management policies.

The Committee shall approve all credit facilities, which are not confirmed by financial institutions, governments, corporations or other similar Canadian or foreign borrowers, set up by Mercator Group for internal control purposes, and which exceed powers delegated to Mercator Group's officers.

The Committee shall examine reports analysing economic situation in any industry where Mercator Group has a certain exposure and review the limits of the portfolio in such industry, taking into account the management's recommendations.

The Committee shall examine quarterly reports on impaired debts and loans losses.

C) MISCELLENEOUS

The Committee shall act as the Audit and Risk Management Committee of every of Mercator Group's subsidiaries of which Act of Incorporation permits it, and exercise every duties assigned to a such committee, in conformity with the enforceable laws and regulations.

The Committee shall evaluate the Committee's performance and efficiency on a regular basis and shall review its mandate periodically.

The Committee shall exercise any other duty assigned by the Board and address thereto any recommendation the Committee deems appropriate, and which is related to its domain.

