



NOVEKO INTERNATIONAL INC.

Annual Information Form

Financial Year ended June 30, 2009

September 24, 2009

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INFORMATION INCORPORATED BY REFERENCE

Some of the information contained in this Annual Information Form ("AIF") may be found in other documents filed by us with Canadian securities regulators, including our Management's Discussion & Analysis for the year ended June 30, 2009 (the 2009 Annual MD&A"), including our Audited Financial Statements for the year ended June 30, 2009), which documents are available via SEDAR and can be accessed at www.sedar.com. See also the section "Additional Information" in this AIF.

Unless otherwise noted, the information contained in this AIF is given as at June 30, 2009. Unless otherwise noted or if the context indicates otherwise, "Noveko International", the "Corporation", "we", "us", "our", "our Corporation", "Group", and "our Group" refer to Noveko International Inc. and its direct and indirect subsidiaries. Unless indicated otherwise, all dollar amounts in this AIF are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

Certain statements set forth in this AIF constitute forward-looking statements. In some cases, these statements are identified by the use of terms such as "may", "could", "might", "intend", "should", "expect", "project", "plan", "believe", "estimate" or other comparable variants.

These statements are based on the information available at the time they are written, on assumptions made by management and on the expectations of management, acting in good faith, regarding future events, including those relating to economic conditions, fluctuations in exchange rates and operating expenses, and the absence of unusual events entailing supplementary expenditures. Although management considers these assumptions and expectations reasonable based on the information available at the time they are written, they could prove inaccurate. Forward-looking statements are also subject, by their very nature, to known and unknown risks and uncertainties such as those related to the industry, acquisitions, labor relations, credit, key officers, supply and product liability. The actual results of the Corporation could differ materially from those indicated or underlying these forward-looking statements. The reader is therefore recommended not to place undue reliance on these forward-looking statements. Forward-looking statements do not reflect the potential impact of special items, any business combination or any other transaction that may be announced or occur subsequent to the date hereof.

Unless otherwise required by applicable securities laws, the Corporation expressly disclaims any intention, and assumes no obligation to update or revise any forward-looking statements, whether as a result, of new information, future events or otherwise.

CORPORATE STRUCTURE

Name and Incorporation

Our current name is Noveko International Inc. We were incorporated under the provisions of the *Canada Business Corporations Act* by Certificate of incorporation on September 23, 1983 under the name 126584 Canada Ltée. The following Certificates of Amendment amended our articles of incorporation:

<u>Date</u>	<u>Purposes</u>
11/07/1983	To change the Corporation's name to Ressources Minières Eider Inc.
01/25/1985	To remove restrictions on the transfer of shares.
02/12/1985	To remove pre-emptive rights for holders of Class A Shares and to amend the authorized share capital.
04/24/1985	To cancel the right of the holders of Class B Shares to elect 1/3 of the directors.
05/30/1988	To change the Corporation's name to Noveder Inc. and to change the designation of the classes of shares.
08/07/1990	To amend the rights and conditions of the classes of shares and to reduce the stated capital on the then Common Shares.
09/12/2001	To change the Corporation's name to Atlantis Explorations Inc./Exploration Atlantis inc. and to consolidate the issued shares on the basis of one (1) share for every ten (10) shares.
01/27/2004	To consolidate the issued shares on the basis of one (1) share for every three (3) shares and to change the Corporation's name to Noveko Echographs Inc.
12/17/2004	To allow the directors to appoint one or more additional directors to hold office until the next annual meeting of shareholders subject that the total number of directors so appointed may not exceed 1/3 of the number of directors elected at the previous annual meeting of shareholders.
01/01/2006	To change the Corporation's name to its current name Noveko International Inc.

The Corporation's head and registered office is located at 500, Place d'Armes, Suite 1600, Montreal, Quebec, H2Y 2W2. The Corporation also has an office at 3152, des Entreprises Blvd, Terrebonne, Quebec, J6X 4J8.

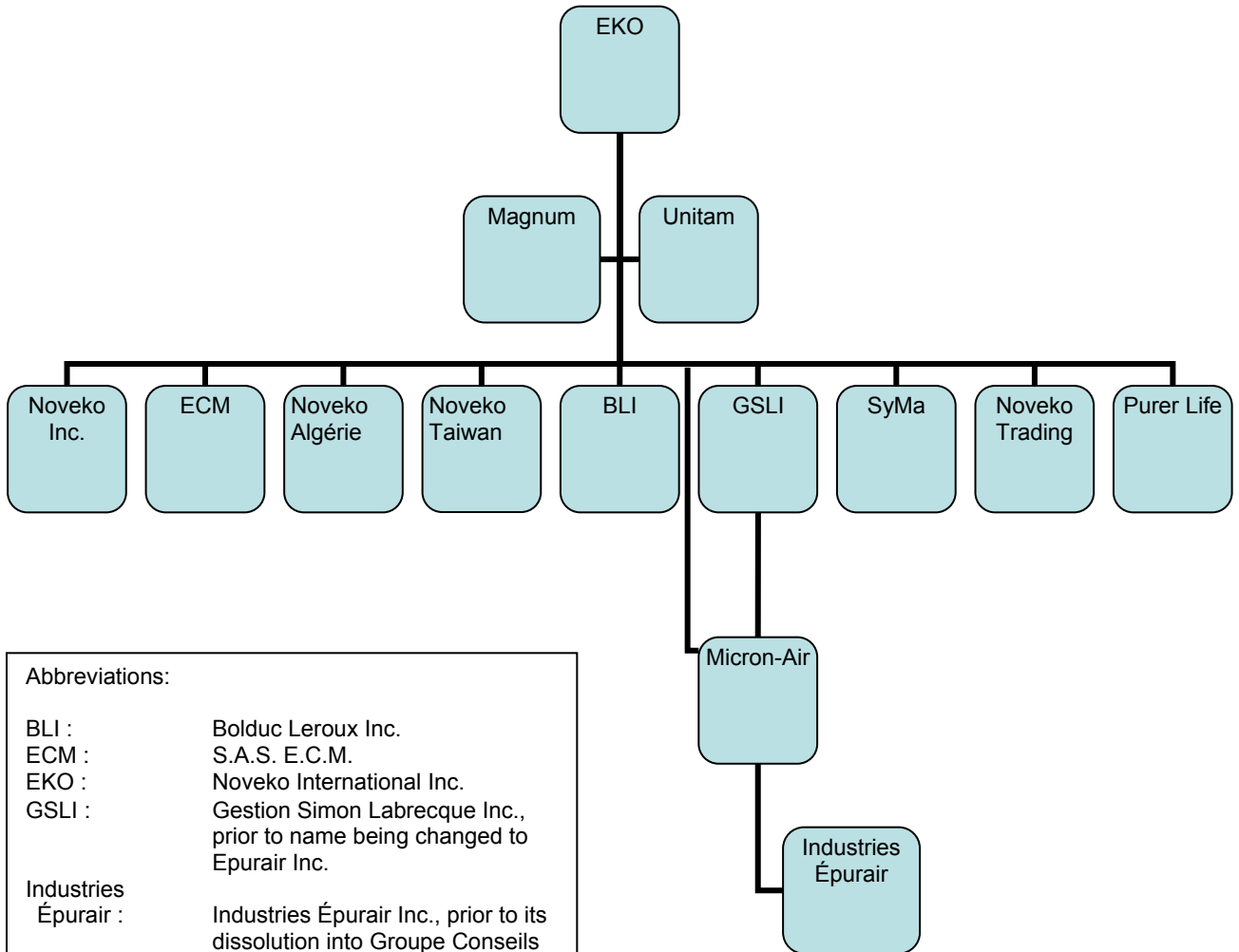
Our website address is www.noveko.com. The information on our website is not incorporated by reference in this AIF.

Intercorporate Relationships

As of June 25, 2009, the Corporation's Group was composed of the following entities:

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Corporation's Group
(as at June 25, 2009)



Abbreviations:	
BLI :	Bolduc Leroux Inc.
ECM :	S.A.S. E.C.M.
EKO :	Noveko International Inc.
GSLI :	Gestion Simon Labrecque Inc., prior to name being changed to Epurair Inc.
Industries Épurair :	Industries Épurair Inc., prior to its dissolution into Groupe Conseils Micron-Air Inc.
Magnum :	Magnum Pharmaceuticals Inc.
Micron-Air :	Groupe Conseils Micron-Air Inc., prior to its dissolution into GSLI.
Noveko Algérie :	SARL Noveko Algérie.
Noveko Inc. :	Noveko Inc., prior to its amalgamation with Laboratoire SyMa Inc.
Noveko Taiwan :	Noveko Taiwan Co., Ltd.
Noveko Trading :	Noveko Trading 2008 LLC.
Purer Life :	Purer Life Technology Co., Ltd.
SyMa :	Laboratoire SyMa Inc.
Unitam :	Unitam International Management Corporation Inc.

During June and July 2009, and in order to simplify this corporate structure, we completed a reorganization of some of our subsidiaries. We consider that this reorganization (done primarily to simplify management accounting processes and reduce costs) has not involved as such any material change for the Group. In fact, this reorganization reflected some operational changes already in place such as the integration of previously acquired entities into our Group.

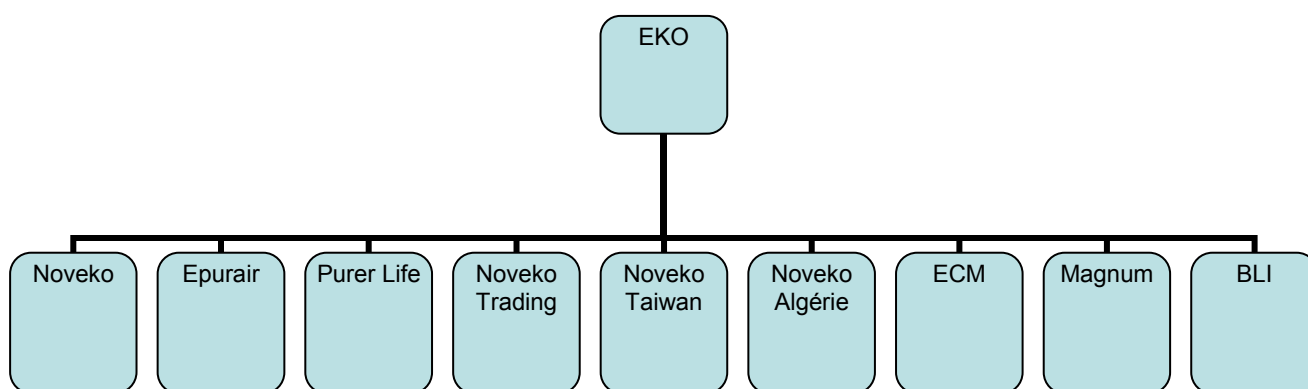
On June 26, 2009, the Corporation sold to Magnum, by way of a rollover, all the issued shares of Unitam. Subsequently, on June 30, 2009, the dissolution process of Unitam into Magnum began.

On June 26, 2009, 50% of the shares the Corporation held directly in Micron-Air were sold to GSLI by way of a rollover. After such sale, all shares of Micron-Air were held by GSLI. On June 29, 2009, the dissolution process of Industries Épurair into Micron-Air began. On June 30, 2009, the dissolution process of Micron-Air into GSLI began. Further to that reorganization, GSLI, renamed Epurair Inc. ("Epurair") as of August 11, 2009, carries out the activities of the former Micron-Air.

On July 1, 2009, Noveko and SyMa were amalgamated under the name Noveko Inc. ("Noveko").

The chart below sets out the Corporation's Group after the reorganization as well as the location of the head and registered office of the Corporation and of each subsidiary:

Corporation's Group (as at August 11, 2009)



Abbreviations:

BLI :	Bolduc Leroux Inc. (Terrebonne, Quebec).
ECM :	S.A.S. E.C.M. (Angoulême, France).
EKO :	Noveko International Inc. (Montreal, Quebec).
Epurair :	Epurair Inc. (McMasterville, Quebec).
Magnum :	Magnum Pharmaceuticals inc. (Montreal, Quebec).
Noveko Algérie :	SARL Noveko Algérie (Zéralda, Alger, Algeria).
Noveko :	Noveko Inc., further to the amalgamation of Noveko Inc. with Laboratoire SyMa Inc. (Terrebonne, Quebec).
Noveko Taiwan :	Noveko Taiwan Co., Ltd. (Taipei, Taiwan).
Noveko Trading :	Noveko Trading 2008 Ltd. (Budapest, Hungaria; Luxembourg, Luxembourg).
Purer Life :	Purer Life Technology Co., Ltd. (Taichung, Taiwan).

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

You will find below a description of the acquisitions we have made during the last three fiscal years and other events, as issue of securities, that occurred during that period.

Year ended June 30, 2007

On September 15, 2006, we completed the last closing of a private placement of 6,000,000 Units, each Unit being offered at a price of \$0.50 per Unit. Each Unit consisted of one (1) Class A Share and one fifth (1/5) of a Warrant. Each entire Warrant gave the right to its holder to subscribe to one (1) Class A Share of the Corporation, at a price of \$1.00 per share, for a period of 24 months after their issue. As a result of this last closing, 600,000 Units, for a total amount of \$300,000, were issued on September 15, 2006 (5,400,000 Units had previously been issued under this private placement during the year ended June 30, 2006).

On December 29, 2006, we closed a private placement of a \$2,200,000 Convertible Secured Debenture bearing interest at the rate of 8% per year. The holder of this Debenture has the right to convert at any time, in whole or in part, this debenture into Class A Shares, at a conversion price of \$1.25 per share until the second anniversary of the closing date, and thereafter, until the 3rd, 4th and 5th anniversary at the respective price of \$1.38, \$1.52, and \$1.67 per share. As at September 24, 2009, a total amount of \$1,698,963 has been converted into a total of 1,321,411 Class A Shares. Therefore, an amount of \$501,307 in principal of that Convertible Secured Debenture is currently outstanding. We have also issued to the holder of this debenture, 750,000 Warrants that may be exercisable at any time from December 30, 2009 to December 29, 2011 but only in the event that the Corporation's Class A Shares price is less than \$1.50 on a weighted average basis for the 90-day period preceding December 29, 2009. If exercisable, such 750,000 Warrants may be converted into a total of 750,000 Class A Shares, at a price of \$1.52 per share, if exercised at the latest on December 29, 2010, and at a price of \$1.67, if exercised at the latest on December 29, 2011.

On May 31, 2007, we closed a private placement of 9,200,000 Units, for gross proceeds of \$23 million, each Unit being offered at a price of \$2.50 per Unit (the "May 2007 Private Placement"). Each Unit consisted of one (1) Class A Share of the Corporation and one-half (1/2) of a Warrant. In addition, we also issued Warrants to the Agents to subscribe for a total of 644,000 Class A Shares. Each entire Warrant entitled its holder to purchase one (1) Class A Share at a price of \$3.35 per share, for a period of 24 months following the closing date of the private placement. However, the terms and conditions of such Warrants provided that if, at any time commencing the 20th trading date prior to the expiry of the four month hold period to which the securities were subject, the weighted average trading price of the Class A Shares was or exceeded \$4.00 per Class A Share for a period of 20 consecutive trading days, the Corporation had the right to accelerate the warrant expiry date by giving prior notice to the holders of Warrants within 10 business days immediately following such 20 consecutive trading day period and, in such event, the Warrants if unexercised, will expire on the 30th calendar day following the date on which such notice will be deemed to have been received by the holders of the Warrants. The Corporation exercised this right on May 23, 2008 and Warrants were subsequently exercised See *Year Ended June 30, 2008*.

Year ended June 30, 2008

After a first patent was being granted to us, in May 2006, by the US Patent and Trademark Office (the "USPTO") for our antimicrobial filtration technology, a similar patent was granted in July 2007 by the Eurasian Patent Organization in Moscow, and in March 2008 by the Taiwan Intellectual Property Office.

On July 26, 2007, we acquired all of the outstanding shares of SyMa. This acquisition was settled by way of a cash consideration of \$500,000 and by the issuance of 756,156 Class A Shares of the Corporation. SyMa specialized in the commercialization of antibacterial sanitizer products (for hands, feet and surfaces) disinfecting without using water and eliminating 99.9% of germs within a few seconds. These products are marketed under the AzuroTM trademark. As indicated under Intercorporate Relationships, SyMa was amalgamated with Noveko Inc. on July 1, 2009.

In August 2007, Noveko Inc. was granted a Health Canada establishment licence under the *Food and Drugs Act* pursuant to which it may manufacture, import and distribute in Canada medical devices, namely its antimicrobial surgical masks and respirators.

In March 2008, the Corporation became a Tier 1 Issuer at the TSX Venture Exchange.

On May 23, 2008, we announced that the exercise date for the Warrants issued pursuant to the May 2007 Private Placement was accelerated to June 30, 2008 as per their initial terms and conditions. Further to the exercise of these Warrants, a total amount of about \$17.5 millions was raised (of which approximately \$14.3 millions were raised between March 31, 2008 and June 30, 2008).

On June 10, 2008, the Corporation acquired all the outstanding shares of Magnum, a specialized management services company focused on providing services to pharmaceuticals, over-the-counter drugs and medical devices manufacturers and distributors. Along with the activities specific to Magnum, we expanded our commercialization expertise for our products. This acquisition was settled by the issuance of 618,557 Class A Shares of the Corporation.

Year ended June 30, 2009

On July 10, 2008, the Corporation acquired all the outstanding shares of Unitam. This acquisition was settled by way of a cash consideration of \$250,000 and by the issuance of 500,000 Class A Shares of the Corporation. Unitam was an international business development service agency representing North American companies in Asia and Asian companies in North America. As indicated under Intercorporate Relationships, all shares of Unitam were transferred to Magnum, on June 26, 2009, and on June 30, 2009, the dissolution process of Unitam into Magnum began.

On July 17, 2008, the Corporation acquired all the outstanding shares of Noveko Algérie. This acquisition was settled for a purchase price settled by the issuance of a total of 240,000 Class A Shares of the Corporation divided equally between Mr. Mourad Ramdane and BLT Capital Inc. ("BLT Capital"). BLT Capital's shares are held equally by Mr. André Leroux, Chairman of the Board and Chief Executive Officer of the Corporation, Mr. Alain Bolduc, President and Chief Operating Officer of the Corporation, and by Mr. Jacques Tessier, who was, until June 30, 2008, Vice-President, Chief Financial Officer of the Corporation. In addition to our products, Noveko Algérie imports and distributes, in North Africa, medical equipments manufactured by third party manufacturers.

On July 18, 2008, the Corporation acquired directly, and indirectly, through GSLI (also acquired by us on the same date), all the outstanding shares of Micron-Air. Micron-Air held all shares of Industries Épurair. The acquisition of Micron-Air (and of GSLI) was settled for a total cash consideration of \$800,000 and the issuance of 600,000 Class A Shares of the Corporation. Micron-Air was a designer and manufacturer of air quality systems marketed under the EPURAIR™ trademark. As indicated under Intercorporate Relationships, on June 26, 2009, 50% of all of the shares of Micron-Air held directly by the Corporation were sold to GSLI. After such sale, all the outstanding shares of Micron-Air were held by GSLI. On June 29, 2009, the dissolution process of Industries Épurair into Micron-Air began. On June 30, 2009, the dissolution process of Micron-Air into GSLI began. Further to that reorganization, the activities previously carried out by Micron-Air are now carried out by GSLI, which on August 11, 2009, was renamed Epurair Inc.

On July 28, 2008, the Corporation's Class A Shares were listed on the Toronto Stock Exchange and, consequently, ceased to be traded on the TSX Venture Exchange.

On August 1, 2008, the Corporation acquired all the outstanding shares of Purer Life, and Noveko Trading acquired all the outstanding shares of U-Bond Inc. ("U-Bond"), an entity of the same group as Purer Life. The total consideration paid for the purchase of these shares was \$5,855,000. On the same day, Mr. Hung-Jen Chen, President of Purer Life, subscribed for a total of 1,100,000 Class A Shares of the Corporation, at a subscription price of \$3.05 per share. Purer Life specializes in the development and manufacture of filtration fabric. Each of Purer Life and U-Bond owned a portfolio of intellectual property rights. As of May 5, 2009, U-Bond was liquidated into Noveko Trading, its sole shareholder. Therefore, Noveko Trading is now the owner of all intellectual property rights previously held by U-Bond.

In November 2008, we finalized the incorporation and organization of Noveko Taiwan to facilitate the distribution of our products in Asia, particularly in Taiwan.

Subsequent events

We are currently proceeding with a private placement to raise approximately \$10 million of Units (the "2009 Private Placement"). The Units will be priced in the context of the market. The Corporation has granted to the Agents an option, exercisable at the Units price, to increase at any time up to 48 hours prior to the closing date, the size of this private placement by 15%. Each Unit consists of one (1) Class A Share of the Corporation and one-half (1/2) Warrant. Each entire Warrant will entitle its holder to purchase one (1) Class A Share at a price equal to 133% of the issue price of the Units, at any time for a period of 36 months following the closing date of the 2009 Private Placement. Should the Corporation's Class A Shares trade at 150% of the exercise price of the Warrants on a weighted average basis calculated using the daily closing price for a period of 20 consecutive business days on the Toronto Stock Exchange, and upon notification by the Corporation through the issuance of a press release, the period during which the Warrants may be exercised will be decreased to a period of 30 days (rather than the initial 36 month expiry date) (the "New Exercise Period") that will begin at the last of the following dates: (i) the first business day immediately after completion of the 4 month plus one day hold period, or (ii) the first business day immediately after the above mentioned 20 consecutive business days, but, in both cases, the New Exercise Period shall not end later than the initial 36 month period. Upon the expiry of the New Exercise Period, the Warrants will no longer be exercisable. The Corporation has also granted to the Agents Brokers' Warrants to purchase that number of additional Units equal to 7% of the number of Units that will be sold in the 2009 Private Placement. The Warrants included in these additional Units are exercisable on the same terms and conditions as those of the 2009 Private Placement. We expect that the closing of the 2009 Private Placement should be held in the near future. However, we can provide no guarantee that the Private Placement will be successful. See also the section Risk Factors.

On September 11, 2009, Convertible Secured Debentures were partially converted, at a conversion price of \$1.07, into 460,439 Class A Shares. At the same date, a Convertible Secured Debenture was partially converted, at a conversion price of \$1.38, into 363,071 Class A Shares. A total of \$993,706 in principal of Secured Convertible Debentures remains outstanding. See Secured Convertible Debentures.

We were exempted under National Policy 51-102 to file Business Acquisition Reports in connection with the acquisitions made during the last three fiscal years.

DESCRIPTION OF THE BUSINESS

General

Through our subsidiaries, we specialize in the conception, development, manufacturing, and commercialization of (i) antimicrobial surgical masks and respirators, (ii) air filtration products, (iii) sanitizers, and (iv) medical equipments, primarily, ultrasound scanners for use in human and veterinary medicine. As at June 30, 2009, the Corporation also held (and still holds as at September 24, 2009) the shares of BLI, which specializes in the custom processing and distribution of steel products.

Description of our Products

Introduction to our Antimicrobial Technology

Through the acquisition of BLI in 2006, we also acquired the intellectual property rights related to the antimicrobial filtration technology developed and held by BLI. Prior to the acquisition of BLI, we were only involved in the commercialization of real-time ultrasound portable scanners. Therefore, the acquisition of BLI constituted a major shift in our activities. Without abandoning the commercialization of real-time ultrasound portable scanners, the focus of our growth was progressively transferred towards the development and commercialization of products derived from our antimicrobial filtration technology, being our antimicrobial air filters and our antimicrobial surgical masks and respirators. Further to the acquisition, BLI transferred its intellectual property rights relating to the antimicrobial filtration technology to Noveko Inc.

In May 2006, the USPTO granted our first patent for the antimicrobial filtration technology. A second US patent for the antimicrobial technology was granted in July 2009. Typically, devices such as in-air duct filters or surgical masks filter out particulate matter during air circulation, and in the case of the surgical masks, during inhalation or exhalation. Masks and filters may temporarily capture pathogens (such as viruses and bacteria) on their filtering material. Removal and disposal of masks or filters may then cause dispersion of

pathogens into the surrounding air and environment that, if inhaled or if in contact with, may be hazardous to the users. In addition, design of these masks may not catch the airborne pathogens and neutralize them. Our antimicrobial masks and air filters are not only effective in blocking the transmission of pathogens by filtration, but their specific technology is able to inactivate these pathogens. In other words, our antimicrobial masks and air filters capture and neutralize pathogens through a network of fibers incorporating antimicrobial agents within their structure. This significantly reduces or essentially eliminates the problems associated with further release of pathogens from the masks and air filters after their use and during disposal. Another important feature of our patents is that they are not limited to the use of a specific antimicrobial agent. Therefore, they offer a very broad protection by covering any type of antimicrobial agents impregnated, incorporated or molecularly bonded within the fibers. Examples of antimicrobial agents covered by these patents include anti-bacterial agents, anti-viral agents, anti-mold agents, anti-yeast agents, and anti dust-mite agents, or any combination of these.

Additional patents for our antimicrobial technology were also granted by the patent offices in Canada, Taiwan, and Eurasia (Russia and most of the other former USSR republics). We also benefit from intellectual property rights related to patent applications in several other jurisdictions including Europe, China, Japan, India, Mexico, and Brazil, and also under the Patent Cooperation Treaty (PCT).

On May 6, 2008, a request for an Ex Parte Reexamination of US patent 7,044,993 (microbicidal air filter) was filed by an anonymous third party at the USPTO. This request advanced prior art against our patent and sought its invalidation. After more than one year of communications with the USPTO, it dismissed that request and issued on July 13, 2009, a Statement of reasons for patentability and/or confirmation of our patent.

Antimicrobial Surgical Masks and Respirators

We are currently commercializing two types of antimicrobial surgical masks (3xEZ and 4xEZU) and two types of antimicrobial respirators (5dEZR and 9dHER). Our antimicrobial surgical masks and respirators are not only effective in blocking the transmission of pathogens by filtration, but their specific technology is able to inactivate these pathogens. In other words, they capture and neutralize pathogens through a network of fibers incorporating antimicrobial agents within their structure. Each layer of our surgical masks and respirators is made of fibers incorporating antimicrobial agents. The fibers used ensure easy-breathability without compromising filtering efficiency.

We are subject to the laws that govern the manufacture and distribution of medical equipments of each country in which we wish to sell or distribute our products, including our antimicrobial masks and respirators. In Canada, Noveko Inc. was granted, in August 2007, a Health Canada establishment licence under the *Food and Drugs Act* pursuant to which it may manufacture, import and distribute in Canada medical devices, namely its antimicrobial surgical masks and respirators. In Europe, the member states of the European Union (EU) have adopted the European Medical Device Directives, which create a single set of medical device regulations for all EU member countries. These regulations require companies that wish to manufacture and distribute medical devices in any EU member country to affix CE Marking on their products. In July 2008, we obtained the authorization to affix the CE Marking on our surgical masks and respirators.

In the US, the *US Food, Drug and Cosmetic Act* (the "FDCA") provides for the regulation by the *US Food and Drug Administration* (the "FDA") of the design, manufacture and marketing of medical devices in the USA. Our antimicrobial surgical masks and respirators are medical devices under such Act. Pursuant to the FDCA, a premarket notification submission must be filed with the FDA (a "510(k) submission") before marketing such medical devices in the USA.

In May 2007, we had the opportunity to participate in a meeting of the General Hospital and Personal Use Devices Panel of the FDA Medical Devices Advisory Committee concerning scientific and clinical issues raised by the addition of antimicrobial agents to personal protective equipment. Further to that meeting which allowed us to better understand these issues and after being assigned a pre-IDE number by the FDA, we were strongly optimistic that we could obtain, in a relatively short time, clearance for the commercialization of our surgical masks and respirators from the FDA. At that time, we may have underestimated the difficulties that we would encounter through the course of our submission. By itself, a premarketing notification submission for a medical device incorporating antimicrobial agents is not a simple task. In addition, the fact that prior to our submission, no other submission had ever been filed with the FDA in connection with antimicrobial surgical masks or respirators may have contributed to the complexity of the task.

In July 2007, the FDA released a *Draft Guidance with respect to Premarket Notification [510(k)] Submissions for Medical Devices that include Antimicrobial Agents*. In that document, the FDA raised some concerns, in particular, that the use of antimicrobial agents could increase the risk of microbial resistance. It also provided recommendations on the information that a manufacturer of such devices should submit in its 510(k) submission and the tests or studies to be done and filed with the FDA in connection with any such submissions.

In order to meet these new higher standards required by the U.S. authorities, we developed new tests and their relevant protocols which were subsequently submitted to the FDA in September 2007. In November and December 2007, the FDA provided us with comments relating to the new test protocols we had submitted as well as to our masks' Indication for Use. These comments confirmed the reasonableness of our protocols and, in certain cases, indicated how the FDA highlighted specific questions to be addressed.

We then proceeded to these additional tests and were able to formally file our 510(k) submission in July 2008. For practical reasons, our submission was restricted to our 3xEZ surgical masks. After issuing a 510(k) submission number in September 2008, the FDA send us written comments requiring us to provide supplementary tests to demonstrate, in particular, a bio-efficacy of log 4 reduction against bacteria during a short-term mask use. A log 4 reduction means a neutralization of 99.99% of the bacteria during a specific period (by comparison, a log 3 reduction means a neutralization of 99.9% and a log 2 reduction 99%). In December 2008, we met with the Branch Chief, Infection Control Devices Branch of the Center for Devices and Radiological Health and the FDA panel of reviewers in order to obtain further clarifications about the status of our submission. As discussed and agreed with the FDA, we subsequently proceeded with additional tests which used a greater number of inoculums. The new tests showed a log 4 reduction bio-efficacy. After reviewing these results, the FDA expressed other comments. Since then, we had the opportunity to discuss these comments, obtaining clarifications on and narrowing FDA's outstanding data requests. We also received confirmation that we have until October 23, 2009 to submit the requested additional data.

On September 8, 2009, the Corporation met with the FDA (in a pre-IDE meeting) in order to obtain information from them on their requirements in considering an additional labeling claim for our mask and respirator in order to market them as a medical device reducing exposure to airborne influenza particles. Dialogue is continuing with the FDA in order for us to obtain clarifications and guidelines for providing the supportive data for a future submission to market in the US our surgical masks and respirators with an antiviral claim.

On August 11, 2009, Microban International, Ltd. granted us a licence to use the trademark Microban[®] for the commercialization of our surgical masks and respirators pursuant to a License and Supply Agreement (the "Licence Agreement") allowing us to use it as the lead/host brand or ingredient brand and also granting us the right and licence to use the Microban antimicrobial technology and the Microban's proprietary antimicrobial additives, in the manufacture of our surgical masks and respirators through December 31, 2012. See also the section *Sanitizers*.

Air Filtration Products

Our air filtration products include primarily two types of products: (i) our antimicrobial air filters and (ii) our products commercialized by Epurair (formerly by Micron-Air), including, the portable or central HEPA air exchangers and air purifiers, filtration systems for furnaces, central air humidifiers and ventilators.

Antimicrobial Filtration Products

Our antimicrobial air filters were the first products commercialized under our patented antimicrobial filtration technology. We initially developed filters to be used by the swine industry. Airborne transmission of virus and other pathogenic agents constitutes a major concern for the swine industry. The Faculty of Veterinary Medicine of the Université de Montréal jointly with the Centre de développement du porc du Québec inc. (the "CDPQ") conducted, under the supervision of Dr. Laura Batista D.V.M. Ph. D, a series of tests demonstrating the effectiveness of our antimicrobial air filters in preventing airborne contamination of swine facilities by the porcine reproductive and respiratory syndrome virus ("PRRSV"). This virus is the most destructive swine pathology and results in considerable economic losses for the world's swine industry. Thus, air filtration is a key feature of any biosafety program. These tests not only demonstrated the effectiveness of our antimicrobial filtration solution in blocking the transmission of the PRRSV by filtration but

also proved that our technology was able to inactivate the PRRSV and other airborne pathogens thus preventing herd contamination. Studies done by Dr Scott Dee of the University of Minnesota - a world renowned authority in swine veterinary medicine – corroborated the results of the tests conducted by the Faculty of Veterinary Medicine of the Université de Montréal in cooperation with CDPQ. In addition, our filters are easy to install and maintain as well as more durable than other air filters on the market, representing a more economical solution.

Our air filters can also be adapted for use in other farm environment as a component of their biosafety program. Any animal farming with large breeds may benefit from the protection offered by our technology.

The August 2008 acquisition of Purer Life represented a crucial milestone for the development of our air filter activities. This Taiwan-based company develops and manufactures an air filtration membrane incorporating a patented weaving technology with a three-dimensional fiber feature in which our antimicrobial technology can be integrated. It should be noted that, prior to its acquisition, Purer Life was our filtering fabric supplier.

Our antimicrobial filtration technology positions us for new applications and other markets have shown interest in our air filters, including railway companies and aviation companies. In addition to their antimicrobial properties and their outstanding air filtration capacity, air filters membranes manufactured by Purer Life have demonstrated a superior resistance and longer life in comparison to other filtration products currently used in the transportation industry. Their superior overall performance and longer durability constitute in many ways a more economical alternative solution for the users.

In April 2009, we signed with the French firm Aerosys Technologies (“Aerosys”), an exclusive distribution agreement for filters incorporating Noveko’s antimicrobial filtration technology. This agreement covers the marketing of the filters, worldwide, to aircraft manufacturers, aeronautics maintenance companies and air carriers and, in France, to the railway, auto manufacturing and defense industries, with certain exceptions. The agreement has an initial term of two years. We believe that the distribution agreement with Aerosys constitutes a strategic partnership for us that will help stimulate the development and marketing of our filtration products in these high-potential markets. This significant breakthrough in the aeronautics field is promising, as Aerosys has already successfully carried out several of the prerequisite tests to market new filters incorporating Noveko’s antimicrobial filtration technology in the aeronautics niche. Additional tests are required to confirm compliance with inflammability requirements of that industry. We are also developing air filters designed for commercial and industrial buildings which would decrease their overall installation and replacement costs because, among other features, of their washability and recycling capacities.

Epurair Products

Epurair commercializes portable or central HEPA air exchangers and air purifiers, filtration systems furnaces, central air humidifiers and ventilators mostly for the residential market. Epurair holds no patent for these products. We are currently developing new innovative products, including air filters for commercial buildings by integrating Epurair’s technology and know-how with our antimicrobial filtration technology.

Sanitizers

Noveko commercializes the Azuro™ product line, which is produced on our behalf by a third-party manufacturer. This line of sanitizers includes hand sanitizer, which incorporates emollients, that disinfects without the use of water and eliminates 99.9% of germs – as well as three other products: Azuro™ Foot, a foot sanitizer, Azuro™ Vapo, a surface disinfectant, and Azuro™ Medical, specifically intended for meeting the healthcare market requirements. Until recently, the Azuro™ products were mostly marketed in Quebec, to retail outlets and to the corporate, governmental and healthcare sectors. We are currently focusing on further penetrating the promising institutional segment and the North American and European markets. With the increased government, institutional and public awareness about the risks of infection spreading, we are witnessing a greater demand for Azuro™ sanitizers.

In August 2009, we were granted the right to use the Microban® brand name for the commercialization of our hand sanitizers through December 31, 2012, pursuant to the License Agreement entered into with Microban International, Ltd. We believe that the expertise and reputation associated with Microban as a world leader in the antimicrobial market will accelerate our penetration of the sanitizer markets. See also the section *Antimicrobial Surgical Masks and Respirators* in connection with other application covered by the Licence Agreement.

Medical Equipments

Ultrasound Scanners

ECM specializes in the development and marketing of ultrasound scanners for use in veterinary and human medicine. ECM's products are commercialized under the trade names AGROSCAN™, V-SCAN™, and ImaGyne™. In veterinary medicine, ECM is a leader in the swine market, with its AGROSCAN™ product line, the most complete range of ultrasound scanners in this field. ECM also enjoys an enviable position in the bovine, ovine and caprine markets thanks notably to its network of 55 exclusive distributors. In the animal market, ultrasound scanners are used to improve breeders' yield by facilitating the diagnosis of animal pathologies, the monitoring of gestation and the evaluation of animals' body fat to optimize meat quality. In addition to its products' innovative features and excellent quality/price value, ECM's main differentiating advantage in ultrasonography lies in the fact that its scanners are portable, user-friendly and battery-powered, so they can be used both in clinics and in the field. These characteristics position ECM in specific market niches, including some developing countries, where major competitors are absent. In October 2008, ECM extended its line of ultrasound scanners for use in veterinary medicine, by launching the V-SCAN™, a light compact and competitively-priced unit for breeders of small and medium-size swine herds.

After having been authorized to affix the CE marking, ECM launched in June 2008 the ImaGyne™, a new cart-based ultrasound scanner enabling it to penetrate the human medicine market. The ImaGyne™, a 64-channel device, has been designed for use in obstetrics, gynecology and vascular medicine, but also, to a lesser extent, for use in veterinary medicine, notably for pets, a relatively new market for ECM.

ECM is pursuing its research and development efforts to fine tune and miniaturize the ImaGyne™ functions and to finalize the development of another high-end, light and battery-powered scanner first intended for veterinarians, including the pet and equine markets, and secondly, for use in human medicine, especially for emergency, anesthetic, and other needs.

Before we acquired ECM's shares in November 2004, our ultrasound scanners activities were carried out solely by Noveko Inc. In June 2007, we transferred most of our ultrasound scanners activities under ECM's umbrella in order for Noveko Inc. to concentrate its activities in its other business units, more specifically its patented antimicrobial filtration technology and derivate products.

Others

In addition to our products, Noveko Algérie imports and distributes in North Africa medical equipments manufactured by third party manufacturers. Magnum continues to offer commercialization services in the marketing of pharmaceuticals, over-the-counter drugs and medical devices.

Steel Products

BLI specializes in the custom processing and distribution of steel products based on client specifications and designs. It has also developed and markets a line of downdraft particle extraction tables for various industrial, commercial and pharmaceutical markets. BLI transforms with its specialized numeric control equipment, and steel binding and punching equipment, various steel products into finished products. However, the reader should be aware that as the activities of BLI are currently not strategic to our Group's growth, we consider that our financial and human resources should be focused on our core sectors. Consequently, we have decided to sell that subsidiary and BLI's operations have been treated as discontinued in our 2009 Annual MD&A and accompanying financial statements.

Methods of Production

Our antimicrobial air filter membranes are manufactured at Purer Life's facility in Taichung, Taiwan.

The chemical mixture transformation and fabric production for our antimicrobial surgical masks and respirators are completed in the United States by third party manufacturers according to our antimicrobial filtration technology standards. The assembling of the filtering membranes to which antimicrobial agents

have been incorporated is also completed on our behalf by third party manufacturers in the United States and in China.

Epurair manufactures its Epurair™ line of products at its facility in McMasterville, Quebec.

Our Azuro™ line of products is mostly produced and bottled on our behalf by a third party manufacturer in Boucherville, Quebec.

Our real-time portable scanners are developed and assembled at ECM's manufacturing facility in Angoulême, France.

Third-party manufacturers produce several medical equipments for which Noveko Algérie acts only as distributor.

In the short term, it is not anticipated that we will modify our methods of production. However, additional third-party manufacturers may become involved in the manufacturing process depending on our products growth requirements. Our long term strategy remains the licensing of our production activities to qualified third party manufacturers.

Sales and Marketing

The Corporation's preferred business model remains the outsourcing of the distribution of its antimicrobial surgical masks and respirators, antimicrobial air filters and sanitizers to leading partners in their respective market. Accordingly, we always remain on the lookout for market opportunities to stimulate our product commercialization while also strengthening our direct marketing activities in strategic important areas. The signature of distribution agreements during the course of the last few months attests to the interest shown in our products. We have distribution agreements in place to market antimicrobial filters to the farming in North America and in Europe and worldwide in the aeronautical industries. We have also entered into distribution agreements to market antimicrobial surgical masks and respirators and sanitizers in several markets.

ECM has developed a network of 55 exclusive distributors in the animal medicine market and is well advanced in setting up a similar network of distributors for the human medicine.

Epurair's products are distributed in the Canada, the USA and in France.

Our subsidiaries Noveko Algérie, Noveko Taiwan, Noveko Trading and Magnum expand our proprietary distribution and sales capabilities and participate in our market development efforts.

Intellectual Property

We rely on various intellectual property protections, including confidentiality agreements, patents, trademarks, copyrights, and trade secret laws, to preserve our intellectual property rights. We have obtained or applied for trademark registrations and patents in Canada and in several foreign countries. See the section *Introduction to our antimicrobial technology*.

When using distributors for the commercialization of our products, we grant them licenses to use our appropriate trademarks for such distribution but we retain all our intellectual property rights at all times.

All our employees or independent contractors developing products on our behalf are required to assign all their intellectual property rights, if any, to our benefit.

The following table lists all our current patents and pending patent applications:

Country	Patent Number (Pending Patent Application Number)	Patent's Expiry Date
Bactericidal After-Filter Device		
Canada	2,406,900	2022-10-22
Microbicidal Air Filter		
Canada	2,525,408	2023-06-06
USA	7,559,968	2021-11-08
PCT ¹⁻²	(PCT/CA2003/000858)	-- ⁴
Eurasia	008900	2023-06-06
Taiwan	1-291366	2023-08-10
Microbicidal Air Filter		
Canada	(2,551,701)	
USA	7,044,993	2021-11-08
PCT ¹⁻²	PCT/CA2006/001092	-- ⁴
Antimicrobial compositions and fibres incorporating the same		
PCT ¹⁻³	(WO 2009/026725)	-- ⁴
Fibrous filter material having antimicrobial properties		
Taiwan	(097133382)	
Natural tourmaline anion fiber and filter and its producing method		
Taiwan	I292444	2024-09-23
USA	(11/416,155)	
Wave-rolled filter screen		
Taiwan	M320431	2017-03-08
Multi-functional and self purification shoes material for health		
Taiwan	M325000	2017-02-08
China	ZL 2007 2 0103806.9	2017-03-12
PCT ¹⁻²	(PCT/CN2008/070464)	-- ⁴
Functional fiber, its preparing process and fabric made from said fiber		
Taiwan	(96142089)	
PCT ¹⁻³	(PCT/CN2007/003152)	-- ⁴
Imitation natural plant fiber, its preparing process and fabric made from said fiber		
Taiwan	(96142093)	
PCT ¹⁻³	(PCT/CN2007/003339)	-- ⁴
3-D filter		
Taiwan	M26031	2014-09-23
Structural improvement of net materials		
Taiwan	M30744	2016-07-13
Functional self-purification isolation net for health		
Taiwan	M312355	2016-10-19

Country	Patent Number (Pending Patent Application Number)	Patent's Expiry Date
Multi-functional and self-purification sit or sleep cushion for health		
Taiwan	M320337	2017-03-08
Wave-rolled filter screen and its preparing process		
Taiwan	(97119635)	
Web-like fabric and its preparing process		
Taiwan	(97119634)	
PCT ¹⁻³	(PCT/CN2008/071148)	-- ⁴
Wave-rolled filter screen		
Taiwan	(97119633)	
Multi-functional and self-purification shoes cushion for health		
China	(200720170026.6)	
Continuously height-adjustable jump cup attachment bracket and safety feature mechanism		
USA	(11/454,895)	
PCT ¹⁻²	(PCT/CA2006/001007)	-- ⁴

1. Under the Patent Cooperation Treaty ("PCT"), it is possible to seek protection for an invention simultaneously in each of a large number of countries by filing an "international" patent application that allows the applicant, among others, to wait between 18 to 31 months, as the case may be, before entering into national phase, i.e. electing countries in which seeking protection, while benefiting from the same priority date as the initial filed PCT application.
2. Patent applications in PCT's national phase for various countries.
3. Not entered into PCT's national phase yet.
4. A patent application filed under PCT will not result in an international patent and expiry date will only be relevant in a specific jurisdiction where a patent is granted.

Employees

As at June 30, 2009, we had 153 full-time employees, including 68 in production (other than BLI), 36 in sales and marketing, 21 in finance and corporate administration and 28 in BLI. We have no unionized employees.

Competition

Antimicrobial Surgical Masks and Respirators

We estimate that the current world market for surgical masks and respirators represents approximately \$6.4 billions in sales (about \$640 millions for the USA). Approximately half of these sales are aimed at the hospital market, followed by the industrial and commercial market, the dental market, and a small portion (less than 5%) to the retail market. The vast majority of these surgical masks and respirators present no antimicrobial properties. These surgical masks and respirators only stop pathogenic agents on their surface.

The marketing of our antimicrobial surgical masks and respirators is still at its beginning and consequently they are not yet generally known worldwide. However, we believe that the increased governments, institutional and general public's awareness about the risks of infections and pandemics should accelerate the global demand for surgical masks and respirators, especially antimicrobial ones.

However, as for any other new commercialized products, distributors, governmental entities, the healthcare sector, and potential users have to be convinced that the higher protection offered by our antimicrobial surgical masks and respirators outweighs the associated purchase price premium. In addition, the fact the institutional purchasers usually selects surgical masks and respirators marketed by a few multinational

corporations or might have already entered into supply agreements with them might also represent an obstacle to the commercialization of our products.

Competition in the antimicrobial mask market is currently limited to a small number of companies which are of a smaller size than those operating in the conventional mask market. The fact that our antimicrobial agents are incorporated directly into the polypropylene fibers is a key differentiating feature of our masks preventing the antimicrobial agents to be released from the fibers and increasing the resilience and longevity of the antimicrobial function. There are currently a few other manufacturing processes like soaking of masks into, or coating with, an antibacterial solution. However, we believe that our manufacturing process is more efficient and less costly than those. In addition, we are confident that our patents and applications for patents protect us from the unauthorized use of our technology by third parties. However, we cannot guarantee that it will be the case. Finally, the current standard surgical masks producers, some of which are multinationals with substantially more resources than us, may be considered as competitors to Noveko even if these surgical masks do not inactivate bacteria. See Risks Factors.

Air Filtration Products

Worldwide, there are more than 2,000 companies manufacturing and distributing air filter products. In the consolidated North America and European markets, seven multinational corporations account for approximately 50% of the market. Air filter products containing antimicrobial agents are estimated to presently account for a small amount of overall market share.

Even with our novel antimicrobial filtration technology, which also could be combined with our innovative Purer 3-D weaving technology, creating an innovative market proposition, Noveko is new on the market. We will be trying to compete with corporations having substantially more resources and brand equity than us, as well as mature market distribution and relationships.

In order to successfully and profitably penetrate this huge market opportunity, our current strategy is to develop and commercialize air filters and products for specific, focused applications. The first examples of this strategy can be found in our air filters and products developed and being commercialized for the swine market, or as the filters we are currently developing in partnership with Aerosys for the aeronautics market. We will continue to develop products and technologies that offer us the highest value added opportunity through focused market identification and selection.

There are many manufacturers of air quality products for the residential market similar to those produced by Epurair. Some of those similar products are manufactured by large corporations with substantially more resources than us. Epurair does not hold patents for its products.

Sanitizers

There are manufacturers of sanitizer products similar to those commercialized by Noveko under the Azuro™ brand, some of which are multinationals with substantially more resources than us. No patent has been granted for Azuro™ products. Considering the growing demand for this type of products and our recent Licence Agreement with Microban International Ltd. for the use of its Microban® brand name, we are confident to achieve significant differentiation for our sanitizers.

Ultrasound Scanners

The competition in the scanner market varies depending on the sector. In the animal sector, ECM commercializes the largest range of portable ultrasound scanners, making it one of the leaders in the market. Competition comes mainly from medium-sized businesses, especially Chinese companies. In the human medicine, competition is fiercer and comes from multinational companies.

Operations and Facilities

Our head office is located in Montreal, Quebec. We rent this office where we maintain our finance and corporate management teams. We own a building in Terrebonne, Quebec which includes a warehouse as well as offices for our sales and marketing team. BLI is the owner of its warehouse in Terrebonne, Quebec and Epurair of its manufacturing plant in McMasterville, Quebec. Each of Purer Life, ECM, Noveko Taiwan, Noveko Trading, and of Noveko Algérie rents their manufacturing plant or offices located in Taichung, Taiwan, Angoulême, France, Taipei, Taiwan, Luxembourg, and Zéralda, Alger, Algeria respectively.

RISKS FACTORS

An investment in our securities involves a high degree of risk and should be considered speculative due to the nature of our business and the businesses of our subsidiaries and their current respective stage of development. You should carefully consider the risks and uncertainties described below, as well as other information contained or incorporated by reference in this AIF, before making any decision to purchase or to sell any of our securities. The risks and uncertainties below are not the only ones we may face. Additional risks and uncertainties not presently known to us or that we believe immaterial could turn out to be material and may adversely affect our business. If any of the following risks occur, our business, financial condition and results of operations could be seriously harmed and you could lose all or part of your investment. Further, if we fail to meet the expectations of the public market in any given period, the market price of our Class A Shares could decline. The analysis provided below contains looking forward statements that may differ materially from future actual results.

Risks Related to Our Financial Condition

We have no record of profit

To date, we have not recorded a profit from operations. Our working capital is coming essentially from the sale of our securities (including our convertible debentures). In fact, we have incurred significant losses to date and there can be no assurances that our future business activities will be profitable. Our ability to operate profitably and generate positive cash-flow in the future will be affected by a variety of factors (including, our ability to further develop our technologies and products, the pace of entry of our products into their respective target markets, the intensity of the competition we will experience, and the availability of additional capital to pursue our business plan). An inability to generate sufficient funds from operations will have a materially adverse effect on the Corporation's business, results of operations and financial condition.

We will require additional financing

In order to continue our activities and sustain our growth, we will need within a short period of time to obtain additional financing from lenders or equity markets, or both. We are currently proceeding with the 2009 Private Placement described under the section *Subsequent Events*. No guarantee can be provided that the 2009 Private Placement will be successful.

Even if the outcome of this private placement is positive, we will need to raise additional funding in the future in order to sustain our growth. We may be unable to raise such additional funds on commercially reasonable terms. Our ability to arrange such financing in the future will depend on our business performance as well as prevailing capital markets conditions. If we are unable to raise additional funds when needed, the survival of our business will be jeopardized. Any equity financing may also be dilutive to existing shareholders.

Economic Risks

Current Economic Conditions

An economic slowdown could result in a decrease in demand for our products. Growth in our customers' businesses is affected by the economic environment and could therefore impact the Corporation's results. We cannot predict the impact of current economic conditions on our future results, nor the timing of an economic recovery. The current period of economic slowdown may cause our existing and potential customers to reduce or delay purchases or projects or defer contracts currently underway. This situation could also lead to greater delays and defaults in payments or debt collection, resulting in lower operating results. Increased competitive pressures during an economic downturn could also result in sales price decreases.

Foreign Exchange Risk

We anticipate earning a significant portion of our revenues from operations outside Canada. Accordingly, a substantial portion of our revenues is earned in foreign currencies (mostly US dollars and Euro) while a substantial portion of our operating expenses is incurred in Canadian dollars. Fluctuations in the exchange rate between those foreign currencies and the Canadian dollar may have a material adverse effect on our results. In addition, we are exposed to unrealized exchange gains and losses with respect to the translation of monetary assets and liabilities held in currencies other than the Canadian dollar. Our actual largest exposure is with respect to the U.S. dollar.

We are doing business internationally

Our subsidiaries are located in Canada, Europe, North Africa, and Taiwan. We market a large proportion of our products outside Canada and expect our sales in foreign markets to increase in the near future. These foreign operations require significant management attention and financial resources while additionally subjecting us to risks inherent in doing business internationally. International business activities entail inherent risks such as trade barriers, political risks, uncertainty as to the protection and use of intellectual property in foreign countries, increase in taxes (including value added taxes) and changes in law and policies affecting our operations. Our failure to properly comply or address any of the above factors could greatly mitigate the success of our international operations and have a material adverse effect on our operating performance and financial condition.

Our subsidiaries are doing intercorporate transactions

We conduct business operations through subsidiaries in various jurisdictions. Certain members of our Group provide products and services to, and may from time to time undertake certain significant transactions with, other members and sometimes in other jurisdictions. Our future income and cash may be adversely affected if any of the taxation authorities in these various jurisdictions were successful in challenging our transfer pricing policies.

Other Tax Issues

Although we are of the view that all expenses and tax credits claimed by us, including research and development expenses and tax credits, are reasonable and deductible and have been correctly determined, there can be no assurance that the Canadian or foreign taxation authorities will agree. If these taxation authorities successfully challenge the deductibility of our expenses or the correctness of income tax credits claimed, our operating results could be adversely affected. We may, directly or indirectly, through our subsidiaries, be subject to taxes with respect to our operations in foreign jurisdictions. Although we are of the view that our books and registers as well as our financial statements reflect adequately our liabilities with respect to such foreign taxes, these foreign jurisdictions could however challenge our liabilities for such foreign taxes, which could adversely affect our operating results.

Business Risks**Disclosure controls and procedures and internal controls over financial reporting**

The Corporation's management is responsible for establishing and maintaining a system of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). In our 2009 Annual MD&A, section 6 Disclosure Controls and Procedures and Internal Control over Financial Reporting, the management identified material weaknesses in connection with its DC&P and ICFR and concluded that such DC&P and ICFR are not efficient. However, even if the DC&P and ICFR material weaknesses that the management identified did not result in adjustments to our annual or any interim consolidated financial statements for the fiscal years ended June 30, 2009 and 2008, the weaknesses so identified constitute risk factors the reader should be aware of. The reader should refer to our 2009 Annual MD&A that is incorporated by reference into this AIF.

Risks Related to the Ability to Meet Demand for Antimicrobial Products

The global market for antimicrobial surgical masks and respirators, and air filters holds significant potential that we intend to further develop considering the advantages related to our products' antimicrobial properties in a context of epidemic and pandemic threat. We have entered into different strategic alliances for the production and marketing of our products. We are actively pursuing initiatives to build up a reliable antimicrobial surgical mask and respirators and air filters production and distribution capacity in order to meet the demand resulting from our market development efforts. However, we have just started operating in this field and there are risks that we could be unable to meet the entire demand due, in case of epidemic or pandemic, to a lack of production or distribution capacity or in reason of regulatory issues.

Our capacity to protect our intellectual property

The success of the Group will depend, to a certain extent, upon our ability to protect our core technologies and intellectual property. To accomplish this, we rely on a combination of intellectual property rights, including patents, trade secrets, trademarks, and copyrights, as well as customary contractual protections. A list of our various patents and pending patents are included in the section Intellectual Property. We do not know whether any of our pending patent applications will result in the issuance of patents or whether the examination process will require us to narrow or amend our claims. Any patents granted to us may be

contested, circumvented or invalidated over the course of our business, and we may not be able to prevent third parties from infringing these patents. Enforcing our intellectual property rights could cause us to incur substantial legal costs, distract our management from running our business, cause significant delays in the commercialization of our products. The outcome of any litigation or negotiation is unpredictable. Infringements may occur in jurisdictions where intellectual property rights are not protected as well as in North America. Therefore, the exact effect of the protection of these patents cannot be predicted with certainty. We could also face competition in jurisdictions where patents have not been yet granted to us.

We may also become subject to claims by third parties that we infringe their intellectual property rights. Any such claim of infringement, even those without merit, could involve the same consequences than those occasioned to protect our own intellectual property.

We also rely on trade secrets and know-how, which are not protected by patents. We try to protect this information by entering into confidentiality undertakings with parties that have access to it, such as our current and prospective third party product manufacturers, distributors, employees and consultants. Any of these parties may breach the undertakings and disclose our confidential information. Enforcing a claim that a third party illegally obtained our trade secrets or is using them, is difficult, expensive, time consuming and the outcome is unpredictable.

We believe that our antimicrobial filtration technology used in our antimicrobial surgical masks and respirators, and in some of our air filter products, have unique features. Our antimicrobial filtration technology is protected by various patents and pending patents applications. As mentioned under *Introduction to our antimicrobial technology*, one of our patents has already been revised by the USPTO further to an anonymous request for an Ex Parte Reexamination. Our patent has been maintained but we cannot guarantee that such patent (or our other patents and pending patents) will not be contested again at the administrative level or before the Courts.

There are currently a few other manufacturing processes to render masks antibacterial, like soaking of masks into, or coating with, an antibacterial solution. However, we believe that our manufacturing process is more efficient and less costly than these others. In Noveko's proprietary manufacturing process, the chemical agents that inactivate bacteria and viruses are impregnated or molecularly bounded into the fibers. Other manufacturing processes for which chemical agents are not impregnated or molecularly bounded could be hazardous if the chemical agents are released and could have a shorter lifespan than our products if the chemical compounds evaporate.

Several of our products are strictly regulated

Several of our products are regulated as medical devices (masks, ImaGyne ultrasound scanners), as natural health products, cosmetic or as drug (Azuro™ products, depending upon the jurisdiction) or otherwise regulated because some of them contain antimicrobial or chemical agents. Therefore, you should be aware of the risks, problems, delays, expenses and difficulties we may encounter in light of the extensive regulatory environment within which our business is carried out. Regulations are not the same in the several jurisdictions where we market or intend to market our products, which constitute a further difficulty. Such regulations govern, among others, approval of manufacturing facilities, conditions applicable to the manufacturing processes, the procedures that may be required for testing the effectiveness or the safety of our products, or labeling and promotional materials requirements. This regulatory oversight also requires a strict adherence to applicable GMP (good manufacturing practices) and ISO standards. To obtain the required regulatory approvals is a lengthy, expensive and uncertain process. Any failure or delay in obtaining regulatory approvals could have a material adverse effect on our business, results and financial condition. Furthermore, product approvals may be withdrawn or not renewed if compliance with regulatory standards is not maintained or if conditions attached to these approvals are not fulfilled. For a detailed description of our current FDA 510(k) submission for our surgical masks, please refer to *Antimicrobial Surgical Masks and respirators*.

Our antimicrobial surgical masks and respirators, and air filters may not be accepted by the potential customers

Our antimicrobial surgical masks and respirators, and air filters are new to the market. While we believe that our products provide significant advantages over the competition, there can be no assurance that we will be successful in commercializing them. Potential lack of customers or delays in product acceptance would have a material adverse effect on our business, results and financial condition.

Supplier dependency for chemical compounds

We depend on a few numbers of suppliers to provide us with the various components entering into our products. It is particularly important to maintain consistency in the chemical compounds used in our mask manufacturing. Changing the chemical compounds could require re-validation of their properties. Failing to validate the similarity in properties, we could be required to file in connection with the commercialization of our masks in the US a new 510(k) submission with the FDA. New delays could then be incurred, which could have a material adverse effect on our business in the USA, and on our results and financial condition.

Raw Material Costs

Raw materials represent a significant input into our manufacturing process. Although a wide variety of raw materials is used by our subsidiaries, the main raw materials in masks and filters are polypropylene and chemical additives. Polypropylene prices are correlated, among other things, to crude oil prices and polymer manufacturing capacity and demand. Significant increases in raw material prices could have a material adverse effect on our results and financial condition although same effects will also affect our competitors.

Air Filtration Products

Even if we consider that our antimicrobial filtration technology combined with Purer's 3-D weaving technology constitutes significant advantages over the competition, our air filtration products are new on the market in which we are competing with corporations having substantially more resources than us to commercialize their products. In order to penetrate this huge market, our current strategy is to develop and commercialize air filters for specific applications, as the air filters we are selling for the swine market or as the filters we are currently developing with Aerosys for the aeronautical market. However, we can not guarantee that we will be able to penetrate in a significant way these market.

There are many air quality products for the residential market similar to those produced by Epurair. Some of those similar products are manufactured by large corporations with substantially more resources than us. Epurair holds no patents for its products.

Sanitizing products

There are manufacturers of sanitizer products similar to those commercialized by Noveko under the Azuro™ brand, some of which are multinationals with substantially more resources than us. No patent has been granted for Azuro™ products. However, considering the growing demand for that type of products and our recent Licence Agreement with Microban International Ltd. for the use of its Microban® brand name, we are confident to achieve significant differentiation for our sanitizers. However, we cannot guarantee that it will be the case.

Risks related to Ultrasound Scanners

Worldwide, there are numerous manufacturers of ultrasound scanners, some of which are multinationals with substantially more resources than us. However, in the animal sector, these large corporations do not currently operate in ECM's niches and their products do not offer the same features as ECM's scanners, such as portability, individual standby power supply and competitive prices. That situation may change in the future. Several smaller-scale entities offer products with similar features to ECM's, particularly Chinese companies, and, as such, represent potential competitors in the various markets in which ECM is present. In the human sector, a new market for ECM, we are facing fierce competition from multinationals. In response to that competitive environment, we have adopted a highly selective market strategy, steadily improving our products' properties, minimizing manufacturing costs to offer competitively priced products. The market has not yet recognized the full potential of portable ultrasound scanners, mainly for the equine and pets sector. Our capacity to make known their features will be crucial for the growth of that sector.

Risks related to Steel Product Processing Operations

Our subsidiary BLI is involved in the steel industry, which is subject to regular price fluctuations caused by supply and demand trends and to the economic situation in general.

BLI occupies a small niche in Canada, being the custom processing and distribution of steel products based on client specifications and designs. BLI has numerous competitors in that field. But, few others Canadian companies are as equipped as BLI to transform steel in a finished product, or are as self-sufficient in regard with steel cutting and machining. However, the reader should be aware that as the activities of BLI are not strategic to our Group's growth, we consider that our financial and human resources should be focused on our core sectors. Consequently, we have decided to sell that subsidiary and BLI's operations have been treated as discontinued in our 2009 Annual MD&A and accompanying financial statements. No guarantee

can be provided that the sale of BLI will be completed on a short time basis or at favorable conditions for the Corporation.

We depend upon senior management and key personnel

The management of the group is assured by a small number of key employees and the departure of any one of these employees could have an adverse impact on our Group. However, we partially offset such risk by recruiting several employees with experience in our various business components.

To ensure our success, management and key personnel must have sound knowledge of our products, our customers and of the markets where we are involved. Given the current economic background, we must be able to retain our key personnel and attract new employees in order to continue growing. Our personnel are currently spread across the world through our subsidiaries. Such decentralization of human capital presents advantages but also disadvantages. Such disadvantages constitute additional risks, especially, in connection with the successful operations of our business when concerted efforts are necessary.

The labor market being highly competitive, we may not be able to hire and retain the employees we need, which could have a material adverse effect on our business, results and financial condition.

Risk of Legal Proceedings

In the normal course of business, the Corporation could be subject to lawsuits, claims and litigation for amounts not covered by our liability insurance. As of June 30, 2009, there was no significant proceeding against us not already accounted for in our consolidated financial statements.

Capacity to identify and complete strategic acquisitions that will contribute to future growth

Even though the Corporation does not consider, in the short term, to purchase other businesses, in the long term or even before if the appropriate circumstances are met, we might have to acquire other businesses to contribute to our future growth. However, we may be unable to: (i) identify suitable acquisition targets available for sale at reasonable prices; (ii) properly evaluate the fair value of the target businesses or; (iii) complete any acquisition in a given timeframe. In addition, if we proceed with acquisitions, available cash may be used to complete such transactions, diminishing our liquidity and capital resources, or share may be issued which could cause significant dilution to our existing shareholders. Furthermore, identifying acquisitions and the completion of acquisitions per se, could divert management's attention and use significant financial resources that may negatively affect our business, operating results and financial situation.

Conflict of Interests

Our directors and executive officers as a group, beneficially own, directly or indirectly, or exercise control or direction over 23,933,800 Class A Shares or approximately 35.7% of the issued and outstanding Class A Shares of the Corporation. Conflicts may arise between such individual interests as members of the Board of Directors or as members of the management team and their respective interests as shareholders. Such conflicts could arise, for instance, with respect to the setting of their respective remuneration, the granting of options and similar matters. However, our directors and officers have the legal duty to act in the best interests of the Corporation.

Risks Related to Our Securities

There may be volatility in our Class A Shares

The market price for our Class A Shares have been and could be subject to wide fluctuations. For instance, for the financial year ended June 30, 2009, the market price of our Class A Shares fluctuated from a high of \$4.30 to a low of \$0.46 (closing trading price on June 30, 2009: \$2.19). Factors such as announcements of our quarterly results and financial position, delays incurred in the approval of our regulated products, difficulty to penetrate certain markets, or failure to meet market expectations may adversely affect the market price of our Class A Shares. The stock market has from time to time experienced extreme price and volume fluctuations, which have been unrelated to the operating performance of particular companies.

There may be dilution in our Class A Shares

As of the date of this AIF, we have currently two outstanding convertible debentures for which the principal amount of \$993,706 may be converted by their holders into a maximum number of 823,508 Class A Shares as well as stock options giving their holders the rights to subscribe an additional total number of 7,783,268 Class A Shares at prices ranging from \$0.60 to \$6.80 per share with expiry dates ranging from November 10, 2011 through August 28, 2014. Finally, there are outstanding warrants that may be

converted, from December 30, 2009 to December 29, 2011, into a total number of 750,000 Class A Shares, at prices varying from \$1.52 to \$1.67 per share, if the trading price of the Class A Shares is lower than \$1.50 on a weighted average basis for the period beginning September 30, 2009 to December 29, 2009 inclusively. During the life of these convertible debentures, options and warrants, their respective holders are given the opportunity to exercise those securities and to profit from a rise in the market price of the Class A Shares with a resulting dilution in the interest of the other shareholders. Also, our current private placement, if successful, will be dilutive for our current shareholders. In addition, as referred to before, we may need to raise additional funds through public or private equity financing. Any equity financing may also be dilutive to existing shareholders.

The increase in the number of Class A Shares in the market resulting from the exercise of convertible securities, the possibility of sale of such shares, and the possibility of public or private equity financings may have a depressive effect on the market price of the Class A Shares. In addition, as a result of additional Class A Shares being issued, voting power of the Corporation's existing shareholders will decrease proportionately.

DIVIDENDS

We have not declared or paid any cash dividends on our Class A Shares to date, and we do not currently intend to pay any dividends on our Class A Shares in the foreseeable future. Our current policy is to retain earnings to finance expansion and to reinvest available cash, if any, in the Corporation. The Board of Directors will determine if dividends should be declared and paid in the future based on all relevant circumstances.

DESCRIPTION OF CAPITAL STRUCTURE

We are authorized to issue an unlimited number of Class A Shares, Class B Shares, and Class C Shares, all without par value. On June 30, 2009, a total number of 67,058,693 Class A Shares were issued and outstanding and a maximum number of 10,698,780 Class A Shares could also be issued under outstanding options, warrants and convertible debentures.

As at September 24, 2009, a total number of 67,965,534 Class A Shares were issued and outstanding and a maximum of 9,356,776 Class A Shares could also be issued under outstanding options, warrants and convertible debentures.

As already indicated, we are currently proceeding with the 2009 Private Placement. See the section *Year ended June 30, 2009* for more details.

Class A Shares

The holders of the Class A Shares are entitled to receive notice and to attend all annual and special meetings of shareholders and to one vote in respect of each Class A Share held at all such meetings. Subject to the priority rights of the holders of the Class B Shares and Class C Shares, the holders of the Class A Shares are entitled, at the discretion of the Board of Directors, to receive out of our profits or surplus available for the payment of dividends, any dividends declared by the Board of Directors. Subject to the priority rights of the holders of the Class B Shares and Class C Shares, the holders of the Class A Shares will participate in the distribution of our assets upon our liquidation, winding-up or dissolution.

Class B Shares (none are issued)

The Class B Shares may be issued at any time and from time to time in one or more series as may be determined by our Board of Directors. Subject to the rights, privileges, conditions, and restrictions (collectively the "rights and restrictions") of the other classes of shares and to all series already issued, and subject to the issue of a certificate of amendment, the Board of Directors is authorized to fix before issue the number and the designation of, and the rights and restrictions attached to the Class B Shares of each series.

The holders of Class B Shares are not entitled to receive notice, attend, and to vote at any shareholders meetings, except, as the case may be, in accordance with the rights and restrictions of any Class B Shares of any series in which case each series must have the same right to vote and the same restrictions to vote.

Notwithstanding the foregoing, the Corporation is not entitled to create new classes of shares having priority over the Class B Shares or ranking *pari passu* with them, to amend the terms and conditions of the Class B Shares or to approve the dissolution or liquidation of the Corporation or to reduce the capital of such shares, unless it receives the approval of 2/3 in value of the holders of the Class B Shares in a meeting duly called for that purpose.

The Class B Shares rank prior to the Class A Shares and Class C Shares with respect to the payment of dividends and the distribution of assets. The Class B Shares of each series rank on a parity with the Class B Shares of each other series with respect to the payment of dividends and the distribution of assets on our liquidation, dissolution or winding-up.

The Class B Shares are entitled to receive if and when declared by the Board of Directors, to non-participating dividends equal to the Bank of Canada's prime rate plus variable rates varying from 0% to 5% of issuance value, cumulative or non-cumulative, at the Board of Director's discretion. Class B Shares are redeemable at the option of the Corporation at an amount equal to the consideration received at issuance plus any declared but unpaid dividend.

Holders of Class B Shares are entitled to receive, in the event of a liquidation, dissolution or winding-up, the amount of stated capital of such shares plus, in the case of series with cumulative dividends, any accrued but unpaid dividends, or in the case of series with non-cumulative dividends, any declared but unpaid dividends, and, in both cases, to any other amount to which they are entitled as fixed at the time of their respective creation.

As of this date, no Class B Shares are issued and outstanding.

Class C Shares (none are issued)

The Class C Shares may be issued at any time and from time to time in one or more series as may be determined by our Board of Directors. Subject to the rights and restrictions (collectively the "rights and restrictions") of the other classes of shares and to all series already issued, and subject to the issue of a certificate of amendment, the Board of Directors is authorized to fix before issue the number and the designation of, and the rights and restrictions attached to the Class C Shares of each series.

The holders of Class C Shares are not entitled to receive notice, attend, and to vote at any shareholders meetings, except, as the case may be, in accordance with the rights and restrictions of any Class C Shares of any series in which case each series must have the same right to vote and the same restrictions to vote. Notwithstanding the foregoing, the Corporation is not entitled to create new classes of shares having priority over the Class C Shares or ranking *pari passu* with them, to amend the terms and conditions of the Class C Shares or to approve the dissolution or liquidation of the Corporation or to reduce the capital of such shares, unless it receives the approval of 2/3 in value of the holders of the Class C Shares in a meeting duly called for that purpose.

Subject to the right of the Class B Shares, the Class C Shares rank prior to the Class A Shares with respect to the payment of dividends and the distribution of assets. The Class C Shares of each series rank on a parity with the Class C Shares of each other series with respect to the payment of dividends and the distribution of assets on our liquidation, dissolution or winding-up.

Subject to the right of the Class B Shares, the Class C Shares are entitled to receive if and when declared by the Board of Directors, to non-participating dividends equal to the Bank of Canada's prime rate plus variable rates varying from 0% to 5% of issuance value, cumulative or non-cumulative, at the Board of Director's discretion. Class C Shares are redeemable at the option of the Corporation at an amount equal to the consideration received at issuance plus any declared but unpaid dividend.

Subject to the right of the Class B Shares, holders of Class C Shares are entitled to receive, in the event of a liquidation, dissolution or winding-up, the amount of stated capital of such shares plus, in the case of series with cumulative dividends, any accrued but unpaid dividends, or in the case of series with non-cumulative dividends, any declared but unpaid dividends, and, in both cases, to any other amount to which they are entitled as fixed at the time of their respective creation.

As of this date, no Class C Shares are issued and outstanding.

Options

As of June 30, 2009, options to subscribe a total number of 7,311,599 Class A Shares were outstanding pursuant to the Stock Option Plan of the Corporation adopted on September 27, 1983, as amended from time to time (the "Old Plan"). As of the same date, options to subscribe a total number of 480,000 Class A Shares were outstanding pursuant to the new Stock Option Plan adopted on December 16, 2008 (the "New Plan"). Options are subject to a vesting period extending over 18 months for those granted under the Old Plan and extending over 2 ½ years for those granted under the New Plan (except for those granted under the New Plan to consultants which will be vested over a period of one year). The exercise price for each such option is the closing price of the trading immediately prior to the date at which the Board of Directors grants such option (except, under the New Plan, if less than 100,000 Class A Shares were traded on that date, in which case, the exercise price is equal to the weighted average closing trading price over a period of five business days in which Class A Shares have been traded preceding the date of the grant). The options are exercisable, under the Old and New Plan, for a maximum period of five years from the date of the grant.

Warrants

Warrants were granted to holders of the secured convertible debenture entitling it to purchase 750,000 Class A Shares. These warrants can be exercised starting December 30, 2009 only if the average weighted market value of the Class A Shares is less than \$1.50 per share during the 90 days preceding that date. The exercise price of such warrants will be \$1.52 per share from December 30, 2009 to December 29, 2010 and \$1.67 per share from December 30, 2010 to December 29, 2011.

Secured Convertible Debentures

In 2005, the Corporation issued secured convertible debentures having a face value of \$3,000,000 of which \$2,000,000 were subscribed on March 31, 2005 and \$1,000,000 on May 10, 2005. These convertible debentures bear interest at 8% per year and are convertible, totally or partially, at the holder's option, into Class A Shares on the basis of one Class A Share for \$0.80 debenture stock until March 31, 2007, for \$0.88 until March 31, 2008, for \$0.97 until March 31, 2009 and \$1.07 until its due date on December 15, 2009. Until now, a total amount of \$2,507,331 of convertible debentures was converted into a total number of 2,749,828 Class A Shares. These convertible debentures are secured by hypothecs on all tangible and intangible assets of the Corporation. The current remaining principal of \$492,669 matures on December 15, 2009.

On December 29, 2006, the Corporation issued a secured convertible debenture having a face value of \$2,200,000. This convertible debenture bears interest at 8% per year and is convertible, totally or partially, at the holder's option, into Class A Shares on the basis of one Class A Share for \$1.25 debenture stock until December 29, 2008, for \$1.38 until December 29, 2009, for \$1.52 until December 29, 2010 and \$1.67 until its due date on December 29, 2011. Until now, an amount of \$1,698,963 of convertible debentures was converted into a total number of 1,321,411 Class A Shares. The convertible debenture is secured by a first ranking mortgage on all tangible and intangible assets of the Corporation. The current remaining principal of \$501,037 is due in full on December 29, 2011.

MARKET FOR OUR SECURITIES

Our Class A Shares are listed and traded on the Toronto Stock Exchange since July 28, 2008 under the symbol "EKO". Prior to that date, our Class A Shares were listed on the TSX Venture Exchange under the same symbol.

The following table sets forth the price range per share and trading volume for the Class A Shares for the fiscal year ended June 30, 2009.

Class A Voting Shares

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Trading Volume</u>
July 2008	4.30	3.00	1,476,200
August 2008	4.06	1.40	5,013,600
September 2008	4.07	1.71	3,032,600
October 2008	2.99	1.15	6,351,400
November 2008	1.75	0.69	2,686,700
December 2008	0.55	0.46	3,059,500
January 2009	1.17	0.56	2,151,700
February 2009	1.00	0.65	899,000
March 2009	0.95	0.50	1,618,800
April 2009	3.35	0.75	11,440,300
May 2009	2.75	1.60	4,608,700
June 2009	2.44	1.65	2,416,500

DIRECTORS AND OFFICERS

You will find below a list of the current members of our Board of Directors and our current executive officers. You might find additional information regarding our directors in the “Election of Directors” section in our Management Information Circular distributed to our shareholders in connection with our annual meeting of shareholders to be held on December 10, 2009 (the “2009 Management Information Circular” and the “Next Meeting”) and incorporated by reference in this AIF. The names, municipality of residence, the position held by in the Corporation and the principal occupation for the past five years of each director and each executive officer and the Class A Shares held by each of them is included. The term of office for each director is until the end of the Next Meeting.

Name, residence and position with the Corporation	Principal occupation during the last five years	Director since	Class A Shares beneficially owned or over which control or direction was exercised as at June 30, 2009
Leon Assayag, C.A. Montreal, Quebec Director Member of the Audit Committee	Mr. Assayag was Chief Financial Officer of ACASS Canada Ltd from October 2008 to August 2009. From January 2007 to May 2008, he was Chief Financial Officer of ICP Solar Technologies Inc. He was Vice-President, Finance and Administration of the Corporation from January 27, 2004 to December 2006 and of Noveko Inc. from December 2002 to December 2006.	01/27/2004	234,500 ⁽¹⁾
Alain Bolduc Rosemère, Quebec President and COO Director	Mr. Bolduc is President and Chief Operating Officer of the Corporation since March 27, 2008. From April 2006 to March 27, 2008, he was Vice-President, Business Development and Industrial Division of the Corporation. He is also, since December 1999, the President of BLI.	04/28/2006	8,214,600 ⁽²⁾

Chien-Yeh (Gary) Chen Taipeh, Taiwan Vice-President, Business Development	Mr. Chen is Vice-President, Business development since August 2008. From 1988 to June 2009, he was President of Unitam.	N/A	225,000 ⁽³⁾
Patrice Emery Dordogne, France Director	Mr. Emery is President of ECM. (formerly S.A.S. Echo Control) since 1985.	12/12/2004	1,785,500 ⁽⁴⁾
Alain Falardeau Montreal, Quebec Vice-President, Legal Affairs	Mr. Falardeau is Vice-President, Legal Affairs of the Corporation since July 2008. From 1984 to July 2008, he was practicing law with Marchand, Melançon, Forget, LLP.	N/A	8,500 ⁽⁵⁾
Eric Favreau Montreal, Quebec Vice-President and CFO	Mr. Favreau is Vice-President and Chief Financial Officer of the Corporation since September 2008. From September 2006 to September 2008, he was Vice-President and Chief Financial Officer of Eloda Corporation, from November 2005 to September 2006, Interim CFO of Positron Networks PNI Inc., from March 2005 to November 2005, he was a partner of NanoVenture LLP, an investment fund, and from July 2004 to February 2005, Interim CFO of VoiceAge Networks Inc.	N/A	- ⁽⁶⁾
Jacques Girard St-Lambert, Quebec Director President of the Governance Committee and member of the Compensation Committee	Mr. Girard is Chairman of the Board of Directors of International Financial Centres Organization of Montreal since 1996 and is also currently serving as Acting Chief Executive Officer. He is also currently Executive Coach with CDC Coaching. M. Girard was also, from 1996 to 2004, Chairman of the Board of Director of Domtar Inc.	16/12/2008	- ⁽⁷⁾
Joe Hiess Montreal, Quebec Vice-President, Strategic Alliance	Mr. Hiess is Vice-President, Strategic Alliance of the Corporation since October 2008. Since 1997, he is Chairman of Global Sourcing and Design.	N/A	40,000 ⁽⁸⁾
Brian C. Jeffers St-Bruno, Quebec Vice-President, Operations	Mr. Jeffers is Vice-President, Operations of the Corporation since August 2008 and was Vice-President, Sales and Marketing from June 2008 to August 2008. He is also serving as President of Magnum since June 2008. From November 2004 to June 2008, he was National Director, Sales and Marketing at Sandoz, Canada.	N/A	- ⁽⁹⁾
Pierre Marc Johnson Montreal, Quebec Director Member of the Governance Committee	Since 1996, Mr. Johnson is counsel to the offices of the Canadian law firm Heenan Blaikie LLP and advises, mediates, negotiates for or with various governments, United Nations related organizations, and other international institutions. Mr. Johnson, a physician and attorney, became Québec's Premier in 1985 and then Leader of the Opposition.	06/18/2008	- ⁽¹⁰⁾
André Leroux Longueuil, Quebec Chairman of the Board and CEO Director Member of the Compensation Committee	Mr. Leroux is Chairman of the Board and Chief Executive Officer of the Corporation. From January 27, 2004 to March 27, 2007, he was President and Chief Executive Officer of the Corporation. From September 2002 to January 2008, he was President of Noveko Inc.; now, he is its Chairman of the Board and CEO.	01/27/2004	12,864,500 ⁽¹¹⁾

Valérie Leroux Terrebonne, Quebec Vice-President, Corporate Affairs and Corporate Secretary	Ms. Leroux is Vice-President, Corporate Affairs and Corporate Secretary of the Corporation since December 2006. From March 2006 to December 2006, she was Director, Corporate Affairs of the Corporation. From May 2002 to February 2006, she was practicing law with Desjardins Ducharme LLP.	N/A	20,000 ⁽¹²⁾
Moïse Moghrabi Montreal, Quebec Director Chairman of the Audit and of the Compensation Committees	Mr. Moghrabi is partner of the law firm Moghrabi & Moghrabi since 1988.	11/27/1997	541,200 ⁽¹³⁾
Jean-Guy Parent Longueuil, Quebec Vice-Chairman of the Board, Director Member of the Audit and Governance Committees	Mr. Parent is senior partner with Intercom Services Immobiliers since January 1, 1990.	01/27/2004	- ⁽¹⁴⁾
Christiane Péloquin Montreal, Quebec Vice-President, Human Resources	Ms. Péloquin is Vice-President, Human resources of the Corporation since May 2009. From March 2009 to May 2009, she was Director, Human Resources of the Corporation. From 2006 to June 2009, she worked as a consultant offering human resources services to a wide variety of companies. From 2000 to 2006, she worked as Human Resources Director for Raymond Chabot Grant Thornton.	N/A	- ⁽¹⁵⁾
Roxanne Rinfret- Awad Longueuil, Quebec Vice-President, Financial Accounting	Ms. Rinfret is Vice-President, Financial Accounting of the Corporation since August 2008, and was previously Director, Financial Reporting since September 2007. From 2004 to 2007, she was Senior Auditor at Harel Drouin – PKF, LLP.	N/A	- ⁽¹⁶⁾

- (1) Without taking into account the 300,000 Class A Shares that may be issued pursuant to options he holds.
- (2) Without taking into account the 400,000 Class A Shares that may be issued pursuant to options he holds.
- (3) Without taking into account the 300,000 Class A Shares that may be issued pursuant to options he holds.
- (4) Without taking into account the 300,000 Class A Shares that may be issued pursuant to options he holds.
- (5) Without taking into account the 200,000 Class A Shares that may be issued pursuant to options he holds.
- (6) Without taking into account the 200,000 Class A Shares that may be issued pursuant to options he holds.
- (7) Without taking into account the 200,000 Class A Shares that may be issued pursuant to options he holds.
- (8) Without taking into account the 300,000 Class A Shares that may be issued pursuant to options he holds.
- (9) Without taking into account the 200,000 Class A Shares that may be issued pursuant to options he holds.
- (10) Without taking into account the 200,000 Class A Shares that may be issued pursuant to options he holds.
- (11) Held through an RRSP or through Gestion André Leroux Inc. Without taking into account the 400,000 Class A Shares that may be issued pursuant to options he holds.
- (12) Without taking into account the 200,000 Class A Shares that may be issued pursuant to options she holds.
- (13) Without taking into account the 200,000 Class A Shares that may be issued pursuant to options he holds.
- (14) Mr. Parent holds 50% of the shares of 9065-7842 Québec Inc. ("9065-7842"), a company that holds, as at June 30, 2009, 794,850 Class A Shares of the Corporation. Mr. Parent does not control 9065-7842 or the other 50% of the shares of 9065-7842. Consequently, these Class A Shares of the Corporation are not included in the total number of securities beneficially owned or over which he exercises control. Without taking into account the 300,000 Class A Shares that may be issued pursuant to options he holds.
- (15) Without taking into account the 25,000 Class A Shares that may be issued pursuant to options she holds.
- (16) Without taking into account the 200,000 Class A Shares that may be issued pursuant to options she holds.

Shareholdings of Directors and Executive Officers

To the knowledge of the Corporation, as at June 30, 2009, the directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over 23,933,800 Class A Shares or approximately 35.7% of the issued and outstanding Class A Shares of the Corporation as at this date. No director or executive officer of the Corporation owns or controls voting securities of the Corporation's subsidiaries.

AUDIT COMMITTEE

The Audit Committee's Charter

Our Board of Directors has an Audit Committee for overseeing the accounting and financial reporting processes of the Corporation and the audits, made by its external auditors, of its financial statements.

The full written Charter of the Audit Committee that sets out its mandate and responsibilities appears as Schedule A to this AIF.

Composition of the Audit Committee

The members of the Audit Committee of the Corporation are Mr. Moïse Moghrabi, Mr. Jean-Guy Parent, and Mr. Leon Assayag. Mr. Moghrabi is the Chairman of this Committee. Mr. Assayag must be considered as a non independent member of the Audit Committee as he was an executive officer of the Corporation within the last three years (he ceased to be Chief Financial Officer of the Corporation in December 2006). The two other members of the Audit Committee are independent members. All members are financially literate as such expression is defined in Instrument 52-110 – Audit Committees (the "MI 52-110"). Under MI 52-110, an individual is "financially literate" when he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Education and Relevant Experience

The education and related experience of each of the Audit Committee members relevant to the performance of their responsibilities as a member of the Audit Committee are set out below:

- (a) Mr. Moghrabi is, since 1988, partner of the law firm Moghrabi & Moghrabi. He is director of the Corporation since November 27, 1997 and had been within the last six years, director and member of the audit committees of Capital Pro-Egax Inc. (TSX Venture), Rutel Networks Corporation (TSX Venture), Pro-Veinor Resources Inc. (now Affinor Resources Inc.) (TSX Venture), and of Arca Explorations Inc. (now Uranium Bay Ressources Inc.) (TSX Venture).
- (b) Mr. Jean-Guy Parent is senior partner of Intercom Services Immobiliers since January 1st, 1990. He is director of the Corporation since January 27, 2004.
- (c) Mr. Leon Assayag was Vice-President and Chief Financial Officer of ARCASS Canada Ltd from October 2008 to August 2009. He was Chief Financial Officer of ICP Solar Technologies Inc. from January 2007 to May 2008. Mr. Assayag is a Director of the Corporation since January 27, 2004. He has served as Vice-President, Finance and Administration and as Secretary of the Corporation from January 2004 to December 2006. From December 2002 to December 2006, he served as Chief Financial Officer and Secretary of Noveko Inc. A Chartered Accountant by profession, Mr. Assayag holds a B. Com and a Graduate Diploma in Public Accounting from McGill University. Mr. Assayag is a director of the Corporation since January 27, 2004.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended June 30, 2009 has the Corporation relied on the exemption provided under section 2.4 of MI 52-110 (*De minimis Non-audit Services*), section 3.2 (*Initial Public Offerings*), section 3.4 (*Events outside Control of Member*),

3.5 (*Death, Disability or resignation of Audit Committee Member*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of MI 52-110 (*Exemptions*).

Reliance on the Exemption in Subsection 3.3(2) or Section 3.6 of MI 52-110

At no time since the commencement of the Corporation's financial year ended June 30, 2009, has the Corporation relied on the exemption provided under section 3.3(2) (*Controlled Companies*) of MI 52-110.

As mentioned under the section Composition of the Audit Committee, Mr. Assayag must be considered as a non independent member of the Audit Committee as he was an executive officer of the Corporation within the last three years (he ceased to be Chief Financial Officer of the Corporation in December 2006). Pursuant to MI 52-110, all members of the Audit Committee should be independent members as such expression is defined in MI 52-110. However, the Corporation has relied on the provisions of section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*) of MI-110 in order that Mr. Assayag be exempted of that requirement. The Board of Directors has determined in its reasonable judgment that Mr. Assayag is able to exercise the impartial judgment necessary for him to fulfill his responsibilities as an audit committee member, and that it was in the best interest of the Corporation and of its shareholders, that he may act in such capacity. When the Corporation was a venture issuer, Mr. Assayag was not only a member of the Audit Committee but also his Chairman (as a venture issuer, it was not required from the Corporation that the members of the Audit Committee be composed only of independent members). His experience as Chairman of the Audit Committee and his intimate knowledge of the Corporation acquired when he was, from January 2004 to December 2006, Vice-President, Finance and Administration of the Corporation, were among the factors considered by the Board of Directors in making this judgment.

Reliance on Section 3.8 of MI 52-110

At no time since the commencement of the Corporation's financial year ended June 30, 2009, has the Corporation relied on section 3.8 (*Acquisition of Financial Literacy*) of MI 52-110.

Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended June 30, 2009, has a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Corporation's Audit Committee has not adopted to date specific policies and procedures for the engagement of non-audit services.

External Auditor Services Fees

The aggregate fees billed by the Corporation's external auditors for each of the last two (2) fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
June 30, 2009	\$254,200	\$16,945	\$133,162	-
June 30, 2008	\$153,250	-	\$98,000	-

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than as described below, to the best knowledge of the Corporation, no director or officer of the Corporation is, or has been within the past 10 years, a director, a chief executive officer or a chief financial officer of any company that, (i) while such person was acting in that capacity, was the subject

of a cease trade or similar order or an order that denied such company access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days; or (ii) was subject to a cease trade or similar order or an order that denied such company access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days that was issued after the director or officer ceased to act in that capacity which resulted from an event that occurred while that person was acting in that capacity.

Other than as described below, to the best of knowledge of the Corporation, no director or officer of the Corporation, or, shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation (a "control person") is, or has been within the past 10 years, a director or officer of any company that while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Other than as described below, to the best of knowledge of the Corporation, no director, officer or control person of the Corporation has been subject to any penalties or sanctions imposed by a court relating to a Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, nor has any director, officer or control person of the Corporation been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Other than as described below, to the best of knowledge of the Corporation, no director, officer or control person of the Corporation, nor any personal holding company of any such person, has within the past 10 years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Mr. André Leroux was President and director of Alliance Medical Inc. when it became bankrupt in 2002. Mr. Pierre Marc Johnson was director of Air Canada when it filed for protection under the *Companies' Creditor Arrangement Act* on August 1, 2003. Mr. Alain Falardeau made on March 2001 a proposal to his creditors under the *Bankruptcy and Insolvency Act*, which was fully performed as at March 2006. Mr. Joe Hiess was director and secretary of Agmont Knitting Inc. and Agmont Dyeing Inc. on June 1st, 2004 when these two companies filed petitions for bankruptcy. Mr. Moïse Moghrabi accepted to become a director of the Corporation in 1997 when the securities of the Corporation were under a cease trading order of the British Columbia Securities Commission (the "BCSC") since June 28, 1989 until the Corporation files the Required Records in accordance with the *Securities Act* (British Columbia). The BCSC revoked that order on October 25, 2001. These information have been provided by the directors or officers involved respectively.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

We are not aware, other than as set forth below, of any material interest, direct or indirect, of any director or executive officer of the Corporation or of any person that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Class A Shares or any associate or affiliate of any such persons in any transaction during the last three financial years ended June 30, 2009, or in any proposed transaction, that has materially affected or would materially affect the Corporation during the current financial year, except for:

1. the acquisition by the Corporation during the year ended June 30, 2008, of a building, from BLT Capital, a company whose shares are held equally by Mr. André Leroux, Chairman of the Board and Chief Executive Officer of the Corporation, Mr. Alain Bolduc, President and Chief Operating Officer of the Corporation, and by Mr. Jacques Tessier who was Vice-President, Chief Financial Officer of the Corporation during the financial year ended June 30, 2008, at a purchase price of \$1,200,000 based on an independent valuation. This building was acquired by BLT Capital Inc. on February 15, 2007, at a price of \$850,000.

2. the sale by the Corporation of medical equipment for an amount of \$772,290 to SARL Noveko Algérie, an Algerian company which, during the year ended June 30, 2008 was held at 50% by Mr. Mourad Ramdame and by 50% by BLT Capital, a company whose shares are held equally by Mr. André Leroux, Chairman of the Board and Chief Executive Officer of the Corporation, Mr. Alain Bolduc, President and Chief Operating Officer of the Corporation, and by Mr. Jacques Tessier who was Vice-President, Chief Financial Officer of the Corporation during the financial year ended June 30, 2008. These transactions were concluded in the normal course of operations. On July 18, 2008, the Corporation acquired all the issued and outstanding shares of SARL Noveko Algérie. This acquisition was paid by the issue of 240,000 Class A Shares of the Corporation;
3. Finally, the Corporation is committed to pay to Gestion André Leroux Inc. a quarterly royalty that represents the lower of \$45,000 or 25% of consolidated cash flows from operating activities as long as working capital is at least \$6,000,000, up to a maximum amount of \$520,000. No amount was payable under such commitment for the last three financial years ended June 30, 2007, 2008, and 2009.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc., at 1500, University Street, 7th Floor, Montreal, Quebec, H3A 3S8, and at 100, University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, is the transfer agent and registrar of the Class A Shares of the Corporation.

MATERIAL CONTRACTS

We adopted the New Plan, a new stock option plan ratified by our shareholders at the last annual and special meeting of the shareholders held on December 16, 2008. The adoption of the New Plan has not amended the rights nor the obligations of the respective holders of options already granted under the Old Plan. A copy of the New Plan may be found at www.sedar.com.

EXPERTS

KPMG LLP, chartered accountants are the auditors that have audited our Consolidated Financial Statement for the year ended June 30, 2009. KPMG LLP, is considered independent from the Corporation in accordance with the Code of Ethics of the *Ordre des comptables agréés du Québec*.

ADDITIONAL INFORMATION

Copies of this Annual Information Form, as well as copies of the 2009 Annual MD&A, including Corporation's audited financial statements for the year ended June 30, 2009, the 2009 MD&A and the 2009 Management Information Circular and such other information and documentation that we make available via SEDAR can be found at www.sedar.com. Certain of these information documents have been distributed to our shareholders in connection with our annual general meeting to be held December 10, 2009 and may be obtained from:

Noveko International Inc.
c/o Vice-President, Corporate Affairs
and Corporate Secretary
500, Place d'Armes, Suite 1600
Montreal, Quebec
H2Y 2W2
Tel.: (514) 875-0606
Facsimile: (514) 875-0660

We will provide to any person or company upon request to our Vice-President, and Corporate Affairs the following information:

- (a) when our securities are in the course of a distribution under a preliminary short form prospectus or a short form prospectus:

- i. one copy of this AIF, together with a copy of any document, or the pertinent pages of any document, incorporated by reference in this AIF;
 - ii. one copy of our comparative consolidated financial statements for our most recently completed financial year for which financial statements have been filed together with the accompanying reports of our auditor and one copy of our most recent interim consolidated financial statements that have been filed, if any, for any period after the end of our most recently completed financial year;
 - iii. one copy of our information circular in respect of our most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared instead of that information circular, as appropriate; and
 - iv. one copy of any other documents that are incorporated by reference into the preliminary short form AIF or the short Form AIF and are not required to be provided under clauses (i), (ii) or (iii); or
- (b) at any other time, one copy of any document referred to in clauses (a) (i), (ii) and (iii), provided that we may require the payment of a reasonable charge if the request is made by a person or company who is not a security holder of the Corporation.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities, options to purchase securities and interests of insiders in material transactions, if applicable, are contained in our 2008 Management Information Circular and will also be contained in our 2009 Management Information Circular for the next annual general meeting to be held on December 10, 2009. Additional financial information are also provided in our 2009 Annual MD&A.

SCHEDULE A

NOVEKO INTERNATIONAL INC. CHARTER OF THE AUDIT COMMITTEE

A. STRUCTURE OF AUDIT COMMITTEE

1. Members

The Audit Committee (the "Committee") comprises at least three (3) directors, each of whom is independent, i.e. he or she must meet the independence requirements stipulated by the applicable legislation and the listing standards of the different stock exchanges on which Noveko International Inc. (the "Corporation")'s shares may be traded. All Committee members must be financially literate and at least one member must have education or experience related to finance and administration. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Corporation.

The Committee members are appointed by the Corporation's Board of Directors (the "Board") and remain in office until their successor is duly appointed or until they resign or are dismissed by the Board.

2. Committee Chair

Unless a Chair is elected by the Board, the Committee members appoint a Chair among themselves.

The Chair presides over the Committee meetings and establishes the agendas thereof. He also regularly reports to the Board on the Committee meetings and activities.

3. Meetings

The Committee meets at least four (4) times per year, or more frequently if warranted by the circumstances.

A Committee meeting may be convened at any time upon request by one of its members. Any meeting may also be convened by the Chairman of the Board and Chief Executive Officer, or by the Vice President and Chief Financial Officer, to submit any matter he considers advisable to discuss.

Committee meetings may be held in person, by telephone or by videoconference, and the Committee may take measures upon written consent. Minutes of Committee meetings are compiled in a minute book and made available to the Directors for review.

The quorum for the Committee is the simple majority of members.

In order to fulfill its responsibilities, the Committee may invite any director, corporate officer or other person it deems appropriate to attend its meetings. In order to fulfill its responsibilities, the Committee may also exclude from its meetings any person it deems appropriate.

B. MANDATE AND RESPONSIBILITIES

The Committee helps the Board carry out its oversight responsibilities vis-à-vis shareholders, potential shareholders, the financial community and other interested parties with respect to the financial statements, financial reporting, internal accounting and financial control systems and internal control systems and the annual independent audit of the financial statements of the Corporation. In doing so, it is also responsible for ensuring free and open communication between the Directors and the external auditors.

In addition to the responsibilities prescribed by law and that could be imposed on the Committee from time to time, it has the following duties and responsibilities:

- i. To monitor financial reporting on behalf of the Board and improve the credibility and objectivity of the financial information of the Corporation, keeping in mind the fact that the Management is responsible for preparing the Corporation's financial statements and the external auditors are responsible for auditing them;

- ii. To reinforce the role of the Directors by facilitating in-depth discussions among the Directors, management and the external auditors, and reinforce the independence of the external auditors, particularly with respect to management of the Corporation;
- iii. To oversee the work of the external auditors engaged for preparing or issuing an auditors' report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- iv. To recommend to the Board, each year, the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, and to recommend their compensation to the Board of Directors;
- v. To evaluate the external auditors and recommend their replacement as needed;
- vi. To review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- vii. To receive from the external auditors the annual reports on their independence, review such reports with it, examine whether the providing of services other than auditing services is compatible with maintaining their independence and, if the Committee so decides, recommend that the Board takes appropriate steps to ensure the independence of the auditors;
- viii. To discuss with the external auditors, prior to the audit, the planning, scope of the audit, staff requirements and their professional fees;
- ix. To discuss with management and the external auditors the sufficiency and effectiveness of internal financial controls, including the supervision and management of financial risks of the Corporation, the ethics program and compliance with applicable laws;
- x. To meet with the external auditors, with and without the presence of management, in order to discuss the results of their audit work;
- xi. To meet quarterly with the Corporation's CFO;
- xii. To review the financial statements, MD&A and annual and interim earnings press releases of the Corporation before it publicly discloses this information. To this regard, it must be satisfied that adequate procedures are in place for the review of the issuer's public disclosure of financial information extracted or derived from the issuer's financial statements, other than the public disclosure of the financial statements, MD&A and press releases, and must periodically assess the adequacy of those procedures;
- xiii. To establish procedures for (1) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (2) the confidential, anonymous submission by employees of the Corporation and its subsidiaries of concerns regarding questionable accounting or auditing matters;
- xiv. To approve in advance all non-audit services which the external auditors of the Corporation render to the Corporation or its subsidiaries;
 - This pre-approval requirement is fulfilled if (1) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent (5%) of the total amount of fees paid by the Corporation and its subsidiary entities during the fiscal year in which the services are provided, (2) the Corporation or one of its subsidiaries, as the case may be, did not recognize the services as non-audit services at the time of the engagement and (3) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approval has been delegated by the Committee;

- The Committee may delegate to one or more independent members the authority to pre-approve non-audit services. However, the pre-approval thereby granted must be submitted to the Committee at its first scheduled meeting following such pre-approval;
 - The Committee satisfies the pre-approval requirement if it adopts specific policies and procedures for the engagement of the non-audit services if (1) the pre-approval policies and procedures are detailed as to the particular service, (2) the Committee is informed of each non-audit service and (3) the procedures do not include delegation of the Committee's responsibilities to management;
- xv. To keep minutes of the Committee meetings and activities;
- xvi. To regularly report to the Board with respect to (1) all relevant matters enabling the Committee to fulfill its responsibilities and (2) all recommendations that the Committee may deem appropriate. The report to the Board may be given orally or in writing by the Committee Chair or any other member appointed for that purpose by the Committee;
- xvii. To fulfill all other duties it may be assigned from time to time by the Board.

In performing its oversight role, the Committee has the power to conduct investigations on any subject brought to its attention. To perform its duties, it has access to all books, documents, premises and staff of the Corporation, as well as the power to retain the services of an external advisor or expert to such effect, as well as the authority to approve its fees and other terms and conditions relating to its services.

The Committee has the power to convene a Board meeting if it considers it necessary, and in particular in the case of an irregularity or negligence, whether real or assumed.

C. ANNUAL PERFORMANCE AND EVALUATION OF COMMITTEE

At least once annually, the Committee conducts a review and a performance evaluation of the Committee and its members, including a review of the compliance with this charter. Also at least once annually, the Committee reviews and evaluates the relevance of this charter and recommends any improvement that the Committee deems necessary and desirable to the Board. The Committee conducts these evaluations and reviews as it deems appropriate.

D. COMPENSATION

The Committee members are remunerated in accordance with Board-approved policies to that end.