



ANNUAL INFORMATION FORM

FINANCIAL YEAR ENDED
AUGUST 31, 2012



November 8, 2012

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GENERAL

Explanatory Note

In this Annual Information Form or “AIF”, “OPMEDIC Group”, the “Corporation” or the words “we”, “our” and “us” refer, depending on the context, either to OPMEDIC Group Inc. or to OPMEDIC Group Inc. together with its subsidiaries and entities in which it has an economic interest.

All references in this AIF to “Common Shares” are references to common shares in the capital of OPMEDIC Group Inc.

Date of Information

This Annual Information Form is dated November 8, 2012 and, unless specifically stated otherwise, all information disclosed herein is provided as at August 31, 2012, the end of the most recent financial year of the Corporation.

Forward-Looking Statements

Certain statements in this AIF may constitute “forward-looking” statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this AIF, such statements often use such words as “may”, “will”, “should”, “expect”, “believe”, “intend”, “plan”, “estimate”, “continue” or the negative of these terms and other similar terminology. These statements reflect current expectations of management regarding future events and operating performance and speak only as of the date of this AIF. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under “Risk Factors”. Although the forward-looking statements contained in this AIF are based upon what management believes are reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of the Corporation’s year end and the Corporation does not assume any obligation to update or revise them, whether as a result of new information, future events or otherwise, unless required by the applicable securities laws.

Industry Data and Trademarks

Market data and industry forecasts used throughout this AIF were obtained from various publications. Although management believes that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

This AIF includes trade names and trademarks or references to such trade names and trademarks of companies other than the Corporation, which trade names and trademarks are the property of their respective owners.

Currency

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to the lawful currency of Canada.

CORPORATE STRUCTURE

Name, Address and Incorporation

The corporate name of the Corporation is OPMEDIC Group Inc. The address of the head and registered office of the Corporation is 1361 Beaumont Avenue, Suite 301, Mount-Royal, Québec, H3P 2W3.

The Corporation was incorporated on November 6, 2001 pursuant to Part IA of the *Companies Act* (Québec), under the name 9109-9812 Québec inc. By certificates and articles of amendment dated March 1, 2002, the Corporation changed its name to Repro Clinics Inc.

By certificate and articles of amendment dated October 5, 2005, the Corporation (i) changed its name from Repro Clinics Inc. to its current name, (ii) reclassified all existing issued and outstanding class A shares into Common Shares and (iii) cancelled all the other classes of shares.

By certificate and articles of amendment dated October 11, 2005, the Corporation removed the restrictions on the number of shareholders and the transferability of shares in connection with the closing of the Corporation's initial public offering on December 22, 2005, pursuant to which its Common Shares were listed for trading on the Toronto Stock Exchange or "TSX".

On February 14, 2011, the Corporation continued its existence under the *Business Corporations Act* (Québec) pursuant to, and by effect of, the coming into force of such act.

Intercorporate Relationships

OPMEDIC Group owns all of the issued and outstanding shares of 9097-9147 Québec inc. (doing business under the name PROCREA Cryopreservation Center) a corporation existing under the *Business Corporations Act* (Québec), specialising in the field of sperm preservation.

The Corporation owns 50% of all of the issued and outstanding shares of 4531582 Canada Inc., a corporation existing under the *Canada Business Corporations Act* which owns the land and building of the South Shore medical center, and the remaining 50% is held, directly or indirectly, by health professionals dealing at arm's length with the Corporation.

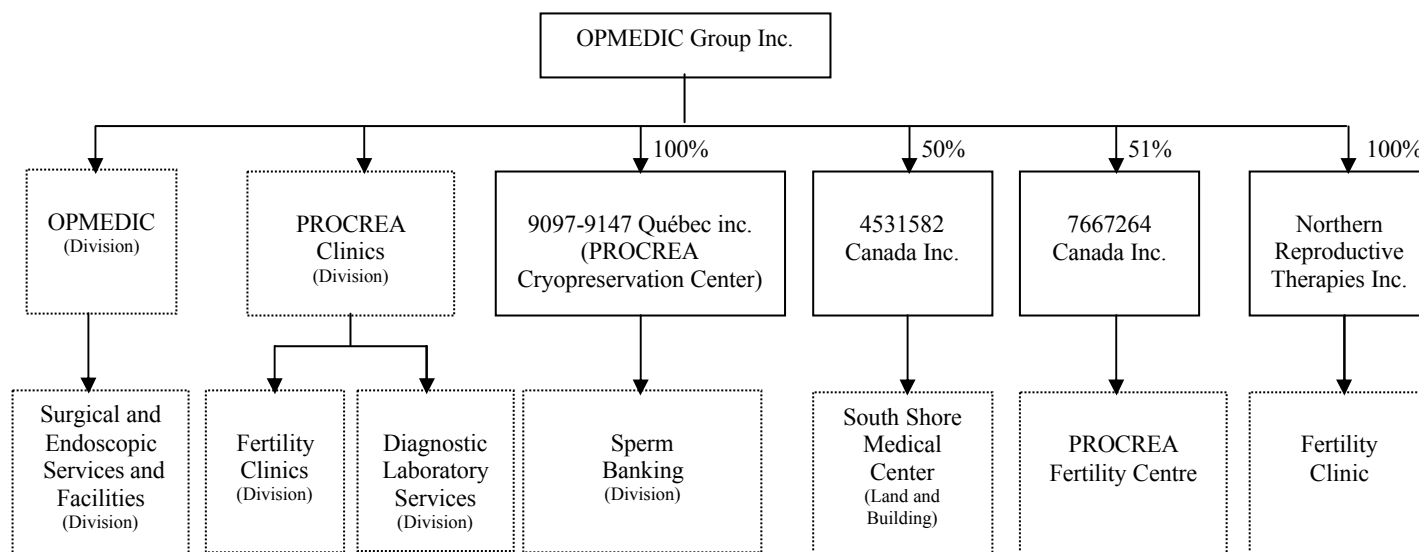
The Corporation owns 51% of all of the issued and outstanding shares of 7667264 Canada Inc., a corporation existing under the *Canada Business Corporations Act* which operates a fertility clinic in the Province of Ontario under the name PROCREA Fertility Centre. The remaining 49% is held, directly or indirectly, by a health professional dealing at arm's length with the Corporation.

OPMEDIC Group also operates PROCREA Clinics, a division specializing in the field of fertility and the OPMEDIC division which provides surgical and endoscopic services and facilities.

The Corporation owns 100% of all of the issued and outstanding shares of Northern Reproductive Therapies Inc., a corporation existing under the *Business Corporations Act* (Ontario) which operates a clinic offering fertility treatments, other than egg retrievals and embryo transfers, in the Province of Ontario.

Corporate Chart

The following chart illustrates the current corporate structure of the Corporation.



GENERAL DEVELOPMENT OF THE BUSINESS

Background

OPMEDIC Group is a healthcare-related corporation specialized in fertility, laboratories and surgeries providing services and facilities to patients and physicians.

On November 6, 2001, Drs. Pierre St-Michel, Marc Villeneuve and Jean-Yves Fontaine founded the Corporation in order to effect the December 12, 2002 purchase of various assets from PROCREA BioSciences Inc. and PROCREA Cryopreservation Center Inc., corporations for which the three physicians had been working. As part of these transactions, the Corporation acquired various clinical and laboratory diagnostic assets from PROCREA BioSciences Inc., while 9097-9147 Québec inc., a wholly-owned subsidiary of the Corporation, purchased all the cryopreservation related assets from PROCREA Cryopreservation Inc. On December 22, 2005, the Corporation completed an initial public offering pursuant to which its Common Shares were listed for trading on the TSX under the symbol “OMG” and the Corporation became a reporting issuer in each of the provinces of British Columbia, Alberta, Manitoba, Ontario and Québec.

Three Year History

On November 20, 2009, the Corporation completed the issuance and sale, on a firm underwritten private placement basis, of 1,050,000 Common Shares at a price of \$2.00 per Common Share for gross proceeds to the Corporation of \$2.1 million. The net proceeds from the offering of approximately \$1.880 million were used to supplement OPMEDIC’s financial resources and for general corporate purposes. On the same day, the three founding physicians of the Corporation, namely Dr. Pierre St-Michel, President and Chief Executive Officer of the Corporation, Dr. Marc Villeneuve, a director of the Corporation, and Dr. Jean-Yves Fontaine, in each case directly or indirectly through their holding companies, sold, on an underwritten private placement basis, 940,000 Common Shares at a price of \$2.00 per Common Share. The Corporation did not receive any of the proceeds from this secondary offering.

On August 5, 2010, the *Regulation respecting clinical activities related to assisted procreation* and the *Regulation amending the Regulation respecting the application of the Health Insurance Act* (collectively, the “**Regulation**”) came into force. The Regulation allowed the new legislative provisions assented to on June 19, 2009 as *An Act respecting clinical and research activities relating to assisted procreation* to come into force thereby permitting the provision of free assisted procreation services as of August 5, 2010. The Regulation lists the conditions and standards governing the obtaining of a licence to operate a centre for assisted procreation carrying on clinical activities and the assisted procreation services that are covered or paid for by the public healthcare system in Québec. Consequently, since August 5, 2010, all expenses for medical activities and drugs used for artificial insemination and three cycles of *in vitro* fertilization that are covered by the Regulation are assumed by the public healthcare system in Québec and couples or individuals who qualify for such medically assisted procreation services are no longer required to pay for such services. In 2010, the Government of Québec estimated that the number of *in vitro* fertilization cycles would increase from approximately 2,000 at the time of the publication of the Regulation to 3,500 in the following year and to 7,000 in 2014-2015. Between April 1, 2011 and March 31, 2012, 7,243 *in vitro* fertilization cycles were paid to all physicians in the Province of Québec by the *Régie de l'assurance maladie du Québec* (the “**RAMQ**”) (the Québec Health Insurance Board).

On July 11, 2011, the Corporation entered into a joint venture agreement with a health professional for the operation of a private fertility clinic in the York Region, in the City of Vaughan, Ontario (under the name of PROCREA Fertility Centre). The new fertility clinic, situated at the Upper Thornhill Medical Centre and occupying approximately 11,300 sq. ft. on the fourth floor of this recently built medical centre, commenced its operations and opened to the public on July 11, 2011.

On October 31, 2011, the Corporation opened new endoscopic facilities of approximately 8,000 square feet in the recently built South Shore medical center. In January 2012, the Corporation opened a fertility clinic of approximately 2,000 square feet in the recently built South Shore medical center. In total, the Corporation currently occupies approximately 35% of the new South Shore medical center's total leasable area. The new medical center also houses a pharmacy, an audiology clinic, a physiotherapy center, a plastic surgery clinic and a medical clinic offering a range of procedures including cytology, ultrasound and cardiology and specialist consultation services. The recently built South Shore medical center of aggregate 30,000 square feet is owned by 4531582 Canada Inc., a corporation in which OPMEDIC Group owns 50% of the voting and economic interest with the remaining 50% being held, directly or indirectly, by health professionals dealing at arm's length with the Corporation.

Effective January 1, 2012, pursuant to an agreement signed on December 14, 2010 between Québec Minister of Health and Social Services and the *Fédération des médecins spécialistes du Québec* (Québec's Federation of Specialized Physicians), the prescribed rates related to *in vitro* fertilization activities carried out in private clinics in Québec that include a technical portion paid by the attending physician to private clinics have been reduced by 34%. The prescribed rates for a standard *in vitro* fertilization cycle that includes a technical portion were reduced from \$6,975 to \$4,600. Whereas the impact of this reduction has not affected the attending physicians, who continue to receive the same fees from the RAMQ for professional services provided in a hospital or a private clinic, there has been a reduction for the technical portion of the expenses that was payable to the private clinic by the attending physician for all services provided by the private clinic. The rate decrease does not affect other medically assisted procreation activities such as artificial inseminations and ultrasounds.

On July 31, 2012, the Corporation completed the acquisition of all of the issued and outstanding shares of Northern Reproductive Therapies Inc. (“**NRT**”), a corporation that operates a small fertility clinic in the town of Newmarket, about 25 km north of the City of Toronto. The clinic offers fertility treatments other than egg retrievals and embryo transfers. This acquisition is expected to allow the Corporation to expand its presence in Ontario in the north and central York Region area and is expected to create synergy between NRT's clinic and the full services of PROCREA Fertility Centre situated in the City of Vaughan, Ontario through an increased volume of patient referrals.

DESCRIPTION OF THE BUSINESS

Overview

OPMEDIC Group is a healthcare-related corporation specialized in fertility, laboratories and surgeries providing services and facilities to patients and physicians including fertility treatments, medical imaging, laboratory services and diagnostic procedures (with its PROCREA Clinics division), sperm banking services (with its PROCREA Cryopreservation Center subsidiary) and surgical and endoscopic services and facilities to patients and surgeons (with its OPMEDIC division). The Corporation's reportable segments are (i) Fertility Treatments, which encompass the business of the PROCREA Clinics and the PROCREA Cryopreservation Center and (ii) Surgical and Endoscopic Services and Facilities provided by the Corporation's OPMEDIC division.

PROCREA Clinics Division. The PROCREA Clinics division provides a variety of fertility treatments and testing services. Fertility treatments include an initial consultation where couples having difficulties in conceiving a child undergo a thorough examination and testing to determine the causes of the infertility. The tests and general work-up enable the physician to make a diagnosis and propose therapeutic solutions that would best suit this diagnosis. PROCREA Clinics offers clients a diagnostic laboratory, pre-natal screening and foetal ultrasounds (genetic services). Pregnant women looking for immediate information about the health of their future child can do so through three pre-natal screening tests. These tests include: for the first trimester, an ultrasound measuring the nuchal translucency (NT) of the foetus and a measure of three of the mother's blood markers (Combitest[®]), for the second trimester, the measure of blood markers and foetal ultrasound and finally, karyotyping of the amniotic fluid by conventional banding (G-banding) or Amnio-Express[®] (fish technique). Prenatal screening, foetal ultrasound and the genetic laboratory represented 20% of the Corporation's total revenue in the financial year ended August 31, 2012 (21% in 2011) and fertility services represented 60% of the Corporation's total revenues in the financial year ended August 31, 2012 (61% in 2011).

PROCREA Cryopreservation Center. PROCREA Cryopreservation has one of the larger donor sperm banks in Canada. Its cryopreservation centre meets or exceeds Health Canada's quality standards to provide safe sperm samples. The sperm bank also provides a sperm preservation service for men who are about to undergo certain medical treatments (e.g. chemotherapy or radiation therapy or surgery) that could compromise their fertility. The sperm banking services of the PROCREA Cryopreservation subsidiary represented 7% of the Corporation's revenue in the financial year ended August 31, 2012 (6% in 2011).

OPMEDIC Division. The OPMEDIC division provides surgical and endoscopic services (colonoscopies and gastroscopies) and facilities for patients and surgeons. Its mission is to offer patients in Canada with a new way to gain access to surgical services. This access is different as it relies on a mixed approach: patients can obtain surgical services in a private clinic, whether or not these services are covered by the respective provincial healthcare plans. Consequently, hybrid billing may be adopted as certain costs covered under provincial public healthcare plans are billed directly to the provinces, while others are charged directly to patients. With state-of-the-art convenient facilities equipped with the latest surgical equipment and its highly qualified medical and clinical staff, the OPMEDIC division is able to provide dedicated and personalized patient care. This includes a philosophy rooted in the respect of human values, minimal waiting time and stringent pre- and post-surgery follow-up. Digestive, cutaneous, hernia repair, breast, urologic, gynaecologic, hand and plastic surgeries are presently available. The OPMEDIC division represented 13% of the Corporation's total revenue in the financial year ended August 31, 2012 (12% in 2011).

Business and Growth Strategies

The Corporation believes that the provision of high quality healthcare in a non-institutional and convenient environment for patients and physicians, combined with favourable demographic trends, waiting periods in the public healthcare system and ongoing medical advancements, will continue to increase the number and complexity of procedures performed at the Corporation's facilities each year.

Management intends to strengthen its position as a significant provider of fertility and diagnostic services and to expand its service offerings while leveraging its medical expertise to continue to develop its activities in the field of operating room and endoscopic services. To achieve its goal, the Corporation intends to execute the following business and growth strategies:

- *Maintain and Enhance the Quality of Patient Care.* OPMEDIC Group will continue to undertake proactive measures to maintain and enhance the benefits offered by the Corporation's facilities compared to other healthcare facilities, such as convenient facilities equipped with state-of-the-art medical equipment, highly personalized patient care based on a philosophy rooted in the respect of human values, minimal waiting time, efficient turnaround time between cases, stringent pre- and post- surgery follow-up, highly qualified medical and clinical staff, simplified administrative procedures and overall patient satisfaction.
- *Maintain and Enhance Operating Margins and Efficiency.* The clinical and operational procedures in place at each of the Corporation's facilities are designed to maximize operational efficiencies. By focusing on a limited number of specialized procedures, the Corporation's facilities are able to develop and implement clinical and administrative best practices which increase specialists and surgeons productivity.
- *Build a Significant Market Presence.* The Corporation intends to continue to expand its portfolio of fertility clinics around major population centers in the Provinces of Québec and Ontario and to commence targeting expansion in the rest of Canada. In addition to increasing total revenues, this would enhance the potential for operational efficiencies, including the implementation of operational best practices, standardization of equipment and supplies and group purchasing programs. Continued expansion would also enhance the stability of the Corporation's operations through a broadened geographic base and diversification of its clients and increase its profile within the medical community, thereby enhancing its ability to identify and attract future expansion opportunities.
- *Expand its Surgical and Endoscopic Procedures and Facilities.* The Corporation will endeavour to increase revenues by playing an important role in the emerging market of private operating room facilities and services for elective and non-emergency surgical procedures. As the demand for one-day surgical and endoscopic procedures increases, the existing facilities would be expanded or new facilities would be developed to add additional operating rooms, recovery rooms and equipment subject to applicable regulatory and licensing requirements as well as local zoning and permitting requirements.
- *Attract and Retain Quality Healthcare Professionals.* OPMEDIC Group intends to continue to attract and retain quality healthcare professionals. Management believes that the Corporation has been successful in attracting and retaining quality specialists and surgeons because of the staffing, scheduling and clinical procedures and protocols in place which are designed to increase a specialist's and surgeon's productivity and professional fee income, diminish his or her administrative burden, provide surgical support services (including laboratory analysis), promote his or her professional success, provide control over his or her practice and enhance the quality of patient care.

Competitive Strengths

Management believes that OPMEDIC Group may continue to successfully capitalize on an attractive market opportunity in the healthcare industry. There are a number of competitive strengths that have contributed to the historical financial performance of the Corporation, which management believes should enable the Corporation to sustain its financial performance and provide a platform for future growth:

- *Healthcare Solutions Provider.* The Corporation is focused on providing comprehensive healthcare management solutions for its clients' needs in the fields of fertility diagnostic laboratories, prenatal screening, foetal ultrasounds and surgery. OPMEDIC Group is able to leverage its experience in these areas.
- *Established Reputation.* The founding physicians of the Corporation have been providing fertility treatments and healthcare services for over 22 years. Management believes the Corporation has established a solid reputation as a service provider to its patients in each of its service areas. Management believes that the reputation of the Corporation for providing high quality clinical outcomes and excellent patient service has provided the Corporation with the ability to attract quality specialists and surgeons and additional patients.
- *Patient Preference.* The clinical and administrative procedures in place at each of the Corporation's facilities are designed to improve the patient experience and ensure a high degree of patient satisfaction. Management believes that patients prefer the Corporation's facilities over traditional hospitals and other surgical facilities because they offer the comfort of a less institutional environment, a high level of customer service and convenience, simplified administration procedures and greater scheduling flexibility while providing high quality patient care.
- *Track Record.* Management believes that since its inception, the Corporation has established a significant regional platform as a provider of fertility services and elective one-day surgeries. The Corporation's PROCREA Clinic in Montreal was the first private fertility clinic established in Québec. It has a diversified and multi-disciplinary team providing services to patients. The Corporation operates two full services fertility clinics in the Province of Québec. In addition, the Corporation recently acquired a small fertility clinic in the town of Newmarket, Ontario, and such acquisition is expected to allow the Corporation to expand its presence in the north and central York Region area in Ontario and is expected to create synergies between the newly acquired clinic and the full services of PROCREA Fertility Centre situated in the City of Vaughan, Ontario through an increased volume of patient referrals.
- *Management Team.* OPMEDIC Group has a committed management team characterized by extensive expertise in the healthcare industry, with a focus on providing high quality care and patient satisfaction. The physician-dominated management structure ensures a high level of operational efficiency. The chief executive officer has solid financial and corporate development experience and has been involved with several public companies. Also, the management team of the Corporation has extensive relationships throughout the healthcare industry.
- *Qualified Staff.* In addition to its team of experienced practitioners, OPMEDIC Group can rely on the support of a dedicated professional team including experienced nurses who handle fertility treatment follow-up. Ongoing professional training is available and is provided on a continuous basis by the Corporation's team of physicians. Staff is regularly trained to use state-of-the-art techniques and equipment with the aim of preserving and increasing the quality of service as well as retaining qualified personnel.

Services Provided

OPMEDIC Group's services can be categorized into two broad segments as follows: (i) Fertility Treatments, which includes fertility services and treatments, prenatal screening, foetal ultrasound and diagnostic laboratory services, provided by the PROCREA Clinics division and cryopreservation and sperm banking services provided by the PROCREA Cryopreservation Center subsidiary; and (ii) Surgical and Endoscopical Services and Facilities provided by the OPMEDIC division.

Medical procedures performed by the Corporation through the PROCREA Clinics division, the PROCREA Cryopreservation Center subsidiary or the OPMEDIC division may or may not be covered under the Québec healthcare plan, managed by the RAMQ.

Medical procedures covered by the RAMQ are generally those required for the health of the patient. For such procedures, the RAMQ will pay the physician according to its fee schedule, while the patient pays for any ancillary costs such as blood tests, investigational procedures (X-Rays, ultrasounds, CAT scans, MRI) or medication. Consequently, the patient will pay OPMEDIC Group most of the costs related to treatment or surgery, while the RAMQ will pay the physician for performing the medical procedure itself. Under the Québec healthcare system, physicians are not permitted to bill a patient for services covered by the RAMQ over and above what has been billed to the RAMQ. Therefore, the Corporation bills the patient only for the ancillary services provided by OPMEDIC. The physician receives the entirety of the fees relating to the performance of the procedure directly from the RAMQ. See “—Risk Factors — *Regulation*” and “— *Regulatory Environment*”.

If a medical procedure is purely elective and not covered by the RAMQ, the patient will pay for costs related to such medical procedure, including the physician's professional fees (in this case, the physician is free to determine the appropriate fee structure, though all fees must be justified by the nature of the services rendered). In such cases, follow-up and evaluation meetings (pre- and post- surgery) may be covered by the RAMQ.

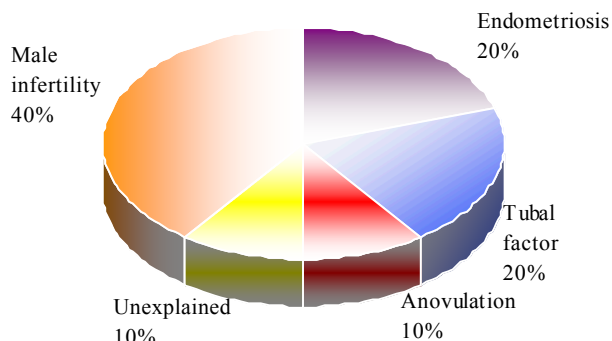
Pursuant to the *Regulation respecting clinical activities related to assisted procreation* and the *Regulation amending the Regulation respecting the application of the Health Insurance Act* (collectively the “**Regulation**”) that came into force on August 5, 2010, all expenses for medical activities and drugs used for artificial insemination and three cycles of *in vitro* fertilization that are covered by the Regulation are assumed by the public healthcare system in Québec and couples or individuals who qualify for such medically assisted procreation services are no longer required to pay for such services. In 2010, the Government of Québec estimated that the number of *in vitro* fertilization cycles would increase from approximately 2,000 at the time of the publication of the Regulation to 3,500 in the following year and to 7,000 in 2014-2015. Between April 1, 2011 and March 31, 2012, 7,243 *in vitro* fertilization cycles were paid to all physicians in the Province of Québec by the RAMQ. See “—Risk Factors — *Regulation*”, “— *Risk Factors — Medically Assisted Procreation Services Regulated by the RAMQ*” and “— *Regulatory Environment*”.

Fertility Treatments (PROCREA Clinics)

Overview

Specialists from the American Society of Reproductive Medicine define infertility as a condition in which a healthy couple of childbearing age has not been able to conceive a child for more than a year, despite having intercourse with the same partner on a regular basis without using any contraception. When this situation persists for more than three years without treatment, chances of spontaneous conception are 0% to 3% per month, depending on the cause or causes of infertility. Generally, 30% to 40% of infertility cases can be attributed to female infertility and approximately 40% of cases can be attributed to male infertility. In approximately one third of the cases, infertility can be connected to both partners. Finally, in approximately 5% to 10% of the cases, infertility cannot be explained and may put causal factors, yet unknown, into play.

The Leading Causes of Infertility



(Source: statistics compiled by PROCREA Clinics, 2002, based on Speroff L, Glass RH, Kase NG. "Clinical Gynecologic Endocrinology and infertility", Sixth Edition. Lippincott Williams & Wilkins. 1999)

Fertility Tests and Exams

During a couple's first fertility consultation, the fertility specialist will recommend that the patient undergo a thorough examination to determine the causes of infertility. All these tests can be performed at the Corporation's facilities and include a meeting with a gynaecologist for the woman and with a urologist for the man. Blood or other secretion samples are taken from each person for analysis. A laparoscopy may also be performed under general anaesthesia in order to detect possible endometriosis lesions. PROCREA Clinics offers a state-of-the-art method of laparoscopy, using a miniature laparoscope inserted through the vagina under local anaesthesia to replace the common laparoscopy done under general anaesthesia. Some other tests that may be required include andrology tests (antisperm antibody test, semen analysis, survival test, sperm search (in the urine), hypo-osmotic swelling test, testicular biopsy and post-vasectomy sperm analysis) and endocrinology tests (hormonal measurements, LH-RH test and qualitative/quantitative pregnancy tests). Some of the blood work-up tests are done in public hospitals with which the Corporation has service agreements. All andrology and endocrinology tests are done at PROCREA Clinics.

Causes of Infertility and Treatment

Below is a summary table of the leading causes of male and female infertility and the treatment offered by PROCREA Clinics.

Causes of Infertility	Treatments Offered at PROCREA Clinics
Ovulatory dysfunctions.	Induction of ovulation – obtained by using oral or injected drugs.
Ovarian failure.	Ovum donation.
Obstruction or alteration of the fallopian tubes.	Laparoscopic surgery. Laparotomy (conventional “open” surgery). <i>In vitro</i> fertilisation.
Endometriosis.	Surgical or medical treatment. <i>In vitro</i> fertilisation.
Unexplained infertility.	Induction of ovulation with artificial insemination with spouse’s sperm. Superovulation and intra-uterine insemination with spouse’s sperm. <i>In vitro</i> fertilisation.
Male infertility.	Surgical correction. Artificial insemination with spouse’s or donor’s sperm. <i>In vitro</i> fertilisation with spouse’s or donor’s sperm. <i>In vitro</i> fertilisation through intracytoplasmic sperm injection (“ ICSI ”). Percutaneous Epididymal Sperm Aspiration or Testicular Sperm Extraction (“ PESA ” or “ TESE ”).

Artificial Inseminations

Uterine insemination is a relatively simple procedure and takes approximately five minutes to perform. The procedure is painless and the patient can resume her daily activities within minutes. The sperm can come from the spouse (artificial insemination with spouse’s sperm: “**AIS**”) or from a donor (artificial insemination with donor sperm: “**AID**”). The cost of an artificial insemination varies depending on the technique used. The cost of an insemination with the spouse’s sperm may also vary depending if it is with a sperm wash or a gradient treatment.

In Vitro fertilisation

In vitro fertilisation (“**IVF**”) is a five-stage process that brings the woman’s ovum and the man’s sperm together, and does so, outside the woman’s body. The term “test tube babies” is synonymous with IVF. This technique is not always used in connection with female infertility. Some cases of male infertility may require an IVF. Various techniques may be used to collect or impregnate the ovum with the spouse’s sperm when needed for an IVF. These techniques include Intracytoplasmic Sperm Injections (ICSI), Percutaneous Epididymal Sperm Aspirations (PESA) and Testicular Sperm Extraction (TESE). When no sperm can be obtained from the spouse, donor sperm will be used.

Prenatal Screening and Ultrasounds, Genetic laboratory (PROCREA Clinics)

Combite[®]

PROCREA Clinics offers a prenatal screening test known as Combite[®] aimed at detecting possible foetal anomalies for pregnant women. Combite[®] covers the basic objective of verifying whether a mother is at risk of carrying a foetus which is not affected by some of the more common birth abnormalities.

4D Foetal Ultrasounds

PROCREA Clinics provides 4-Dimensional (3D In Motion) (“4D”) ultrasound. The high picture quality of 4D prints and video, allows parents to see the features of their baby and see it move around *in utero*. In addition to the detailed foetal 4D ultrasound, nuchal translucency ultrasound, routine second and third trimester ultrasounds are also available.

Amniocentesis and Amnio-Express[®]

Amniocentesis is a prenatal diagnostic procedure used by PROCREA Clinics to detect (or far more likely, to rule out) the presence of certain chromosomal anomalies in the foetus the mother is carrying. This test is performed during the second trimester of pregnancy (between the 14th and 22nd weeks), generally around the 16th week. At PROCREA Clinics, test results are ready within 8 to 12 days. Amnio-Express[®], a test performed in conjunction with the amniocentesis, indicates results relative to the most prevalent chromosomal birth anomalies within two business days. This test can be performed at PROCREA Clinics’ facility in Montreal.

Conventional and Bone Marrow Karyotypes

Tissue harvesting, culture and microscope analysis are done at the Corporation’s facilities in Montreal with state-of-the-art equipment. PROCREA Clinics is presently offering conventional, bone marrow karyotypes and Amnio-Express[®] services to a number of hospitals and clinics across Canada.

Prenatal and Postnatal Microarray Analysis

CombiGene[®]

PROCREA Clinics’ Genetic Microarray Analysis CombiGene[®] offers couples with family history of genetic anomalies as well as pregnant women whose prenatal screening or prenatal ultrasound indicate a high risk of carrying a baby with Down’s syndrome or other genetic diseases, the ability to be diagnosed with important disabilities of genetic origin with high accuracy. CombiGene[®] utilizes the latest technological advancements and shows an unprecedented high level of resolution allowing the detection of very small genetic modifications not detected by previous technologies. CombiGene[®] has the ability to detect simultaneously over 150 anomalies that are not detected by conventional techniques.

Genetic Testing Services (PROCREA Clinics)

The Corporation offers through its PROCREA Clinics division a genetic testing panel that detects five genetic diseases specific to individuals of French Canadian origin. The reduced genetic diversity of the French Canadian population has provided for severe debilitating and deadly genetic diseases that are common in specific regions of Québec such as tyrosinaemia, congenital lactic acidosis, hereditary motor and sensory neuropathy, recessive spastic ataxia of Charlevoix-Saguenay and cystic fibrosis. Couples of French Canadian origin in the age of procreation, wanting to know their genetic carrier status before having children, can now benefit from these services. In the event of a positive test result, the Corporation will provide couples in need of support the personalized advice of a genetic counsellor to evaluate options and come to an informed decision.

Cytology and Anatomic Pathology Testing (PROCREA Clinics)

Through the acquisition in 2008 of the operational assets of Lab Cyto-Stat, a Montreal laboratory specializing in cytology and anatomic pathology, the Corporation offers through its PROCREA Clinics division, advanced cervico-vaginal cytology, human papilloma virus and non gynaecological cytopathology testing.

Androtest (PROCREA Clinics)

In June 2009, the Corporation introduced through its PROCREA Clinics division a new test panel called *Androtest* which offers a complete screening profile as an aid to the diagnosis and the management of andropause, an age-related condition that affects men over 45 years of age due to a decline in testosterone levels. The evaluation process includes an extended panel of biochemical markers and a sophisticated follow-up report.

Sperm Banking (PROCREA Cryopreservation Center)

There are various reasons why men may use cryopreservation including the prospect of chemotherapy, radiotherapy or surgery that may affect fertility or prior to undergoing a vasectomy. PROCREA Cryopreservation offers men the opportunity to store their sperm for short or long periods of time. PROCREA Cryopreservation complies with the standards and regulations set forth by Health Canada, the *Collège des médecins du Québec* (Québec College of Physicians), the Canadian Fertility and Andrology Society as well as the American Society for Reproductive Medicine. Samples from PROCREA Cryopreservation's sperm bank are distributed to major fertility clinics throughout Québec and the Maritimes as well as to physicians located in remote regions of Québec.

Surgical Facilities and Endoscopic Services and Facilities (OPMEDIC Division)

The Corporation has set up two surgery clinics where physicians perform surgical procedures in the Corporation's facilities once they have reached their available quotas of operating hours at publicly funded hospitals. The surgical services provided to patients may be fully or partially covered under a provincial public healthcare plan. The OPMEDIC division's elective surgery facilities are comprised of operating rooms allowing surgeries requiring only local/regional anaesthesia or sedation in the fields of general surgery (cutaneous, hernia repair and breast), otorhinolaryngology, gynaecology, urology, digestive endoscopy and plastic and cosmetic surgery. Pre-admission work-up and post-surgical support are also available. At present, the OPMEDIC division offers medical services performed by qualified professionals, including: dedicated general surgeons, urologists, gynaecologists, colorectal surgeons, plastic and reconstructive surgeons and anaesthesiologists.

Facilities

The following table describes, for each of the Corporation's facilities, its location, year established, square footage, number of operating rooms and physicians, services provided and lease term:

Facility (Yr. Est.)	Square Feet	No. of Op. Rooms / Physicians	Services Provided	Lease Term
Granby (2006) 177-A Denison St. East	602	—	Prenatal screening. Ultrasound.	August 2013
Laval (2006) ⁽¹⁾ 1565 De l'Avenir Boulevard, 3 rd Floor	13,204	4 / 11	Operating room facilities. Elective surgery (digestive (endocholecystectomy), cutaneous, hernia repair, urologic, gynaecology, hand and plastic surgery).	April 2021
Laval (2008) ⁽¹⁾ 1575 De l'Avenir Boulevard, 4 th Floor	7,404	2 / 7	Digestive endoscopy (gastroscopy, colonoscopy, anoscopy and hemorrhoidal ligature).	December 2022
Montreal (2005) 1361 Beaumont Avenue, 3 rd Floor (Head Office)	16,248	2 / 9	Fertility treatments (IVF). Genetic Testing. Cytogenetics. Women's health services. Prenatal screening. Ultrasound. Cryopreservation.	December 2013
Montreal (2008) 5845 Côte-des-Neiges, 3 rd Floor	280	—	Cytology and anatomic pathology testing (advanced cervico-vaginal cytology, human papilloma virus and non gynaecological cytopathology).	July 2013
Newmarket, Ontario (2012) 72 Prospect Street	2,500	0 / 1	Fertility treatments (other than egg retrievals and embryo transfers).	August 2014
Québec City (1998) 5600 Des Galeries Boulevard, 4 th Floor	7,062	1 / 4	Fertility treatments (IVF). Genetic Testing. Cytogenetics. Women's health services. Prenatal screening. Ultrasound. Cryopreservation.	July 2018
Québec City (2008) 5600 Des Galeries Boulevard, 2 nd Floor	3,571	1 / 4	Digestive endoscopy (gastroscopy, colonoscopy, anoscopy and hemorrhoidal ligature).	July 2018

Facility (Yr. Est.)	Square Feet	No. of Op. Rooms / Physicians	Services Provided	Lease Term
St-Hubert, Québec (2011) 4025 Blvd Taschereau, Suite 2100	8,000	3 / 9	Digestive endoscopy (gastroscopy, colonoscopy, anoscopy and hemorrhoidal ligature).	October 2021
St-Hubert, Québec (2012) 4025 Blvd Taschereau, Suite 2200	2,000	0 / 3	Fertility Clinic	October 2021
Vaughan, Ontario (2011) 955 Major MacKensie Drive, 4 th Floor	11,297	1 / 2	Fertility treatments (IVF). Women's health services. Ultrasound. Cryopreservation.	September 2021

Note:

(1) These facilities are leased from the owner of the premises, 9160-1708 Québec inc., a corporation wholly owned by Gestion Pierre St-Michel Inc. (a corporation wholly owned by Dr. Pierre St-Michel) as to 50% and by Gestion MV122 Inc. (a corporation wholly owned by Dr. Marc Villeneuve) as to the other 50%.

Competition

In each market in which the Corporation's facilities operate, there is competition with traditional hospitals or other medical centers to attract both patients and physicians. Patients in OPMEDIC Group's primary service areas may travel to these other healthcare facilities for a variety of reasons, including the need for services not offered at the Corporation's facilities, physician referrals or coverage by applicable insurance programs. Management believes that a facility's competitive position in the market in which it operates is affected by a number of factors, including: the scope, breadth and quality of services offered to its patients and physicians; the number, quality and specialties of the physicians who refer patients; nurses and other healthcare professionals employed or on its staff; its reputation; the location and number of competitive facilities and other healthcare alternatives; the physical condition of its buildings and improvements; the quality, age and state of the art of its medical equipment; its parking or proximity to public transportation; the length of time it has been a part of the community; and its charges for services. In addition, some of the facilities that compete with the Corporation's facilities are publicly funded or owned by not-for-profit entities supported by endowments and charitable contributions and may not be subject to sales, property and income taxes. Because of the strong position the Corporation's facilities enjoy in the markets where they are located, management believes that the Corporation's facilities are well positioned to compete for both patients and physicians in the markets in which its competitors operate. Notwithstanding the foregoing, improvements to the funding or administration of the public healthcare system in the Provinces of Québec and Ontario and in Canada represents a competitive threat to the Corporation.

In respect of fertility testing, treatment and related services, the Corporation is aware of five primary established competitors in the Province of Québec and three upcoming competitors in the public healthcare system. Each of these organizations is active in the assisted reproductive technologies (ART) field. Management believes that, when combining its Montreal, St-Hubert and Québec City centers together with the private fertility clinics in the City of Vaughan and in Newmarket, OPMEDIC Group has one of the largest ART facilities in Canada.

In respect of the surgical facilities and services offered by the OPMEDIC division, the Corporation is aware of at least two other significant private facilities currently operating in the Province of Québec and of a number of private clinics in other Canadian provinces which offer similar services, albeit on a more limited basis. Notwithstanding the fact that there are a number of barriers to entry for new entrants into the private surgical facilities market in the areas served by the OPMEDIC division (including regulatory, licensing and capital requirements), management feels that private competition will likely develop in the

Province of Québec with the adoption of legislation which enables the creation and supervision of specialised medical centers and the development of related medical clinics. See “— Regulatory Environment” below.

Regulatory Environment

Healthcare service providers in Canada are subject to a number of governmental regulations and statutory licensing requirements. The Corporation is subject to federal, provincial and local regulation relating to, among other things, licensing, conduct of operations, designation of medical personnel, physician relationships, performance of medical services and reimbursement rates for services.

The licenses required to carry on the medical laboratory business of the Corporation are renewed on an annual basis (corresponding to the calendar year) in accordance with *An Act Respecting Medical Laboratories, Organ, Tissue, Gamete and Embryo Conservation, and the Disposal of Human Bodies* as well as the regulation thereunder (collectively, the “**Laboratories Act**”). Among the conditions to maintain proper licensing, the Laboratories Act provides: (a) for the obligation to participate in external quality control programs; (b) for the obligation to have a director responsible for the activities of the laboratory; (c) for the laboratory director to be duly qualified in a related field and have, for example, a Master’s degree or a Ph.D. (usually in biology or chemistry); and (d) for the laboratory director to have a permit delivered by the Order of Chemists of Québec (*l’Ordre des chimistes du Québec*) or by the Québec Medical Association (*Collège des médecins du Québec*). Random inspections are also carried out by regulatory authorities to assess the status of laboratories and make recommendations. If an inspection is not satisfactory, regulatory authorities can impose sanctions including recommendations, or a suspension or revocation of the permit. Following an unsatisfactory inspection, regulatory authorities may request a report on the implementation of their recommendations. The Corporation has the required licenses to carry on its medical laboratory business.

All of the Corporation’s medical personnel, both physicians and registered nurses, have and maintain the requisite professional licenses from their respective governing professional bodies. Any change in governmental regulation and licensing requirements or interpretation and application of same relating to healthcare services could have an adverse impact on the scope of OPMEDIC Group’s activities.

For the most part, the Canadian healthcare system is regulated by the *Canada Health Act* (the “**CHA**”) and is provincially administered. Provincial licensing and other regulatory requirements relate to, among other matters, the conduct of “physician services” under the CHA, that is, services that are medically required and rendered by physicians entitled to practice medicine. In order to receive federal transfer payments, a provincial plan must conform to the principles set out in the CHA.

The CHA, the *Health Insurance Act* (Québec) and the *Hospital Insurance Act* (Québec) do not expressly prohibit private health services. Instead, the latter two statutes restrict access to private health services in Québec by prohibiting private insurance coverage for services already covered by the RAMQ. This effectively limits private healthcare services to those patients who can afford such services without having to resort to insurance. Generally, provinces in Canada have limited a patient’s access to private healthcare services in one manner or another. For example, in Québec, Ontario, Manitoba, British Columbia, Alberta and Prince Edward Island, private health insurance is prohibited. In Ontario, Manitoba and Nova Scotia, physicians who opt out of the public sector are prohibited from billing private patients fees in excess of those amounts prescribed in the public fee schedule, thus creating a disincentive to leaving the public system.

In Québec, a physician may opt out of the provincial healthcare plan and conduct his or her practice on a private basis outside of the RAMQ system. Physicians who do not participate in the public sector are free to set the amount of their fees, but the cost of such services are not refunded by the RAMQ and insurance contracts that provide coverage for services otherwise covered by the RAMQ are significantly restricted to insurance contracts that cover the cost of the surgical procedures specified by law or for other treatment determined by a regulation of the Québec Government made after examination

by the appropriate committee of the National Assembly. The insurance contract must cover the cost of all services related to the surgery or treatment, which must be provided in a specialized medical centre where only physicians not participating in the RAMQ practice. All fees must be justified by the nature and circumstances of the services rendered. Alternatively, a physician may remain under the provincial healthcare plan regime, but use private clinic facilities to render services, so long as the physician does not receive any compensation in excess of the payment by the RAMQ in accordance with its fee schedule. Any ancillary services not provided by the physician or services not covered by the RAMQ may be billed directly to the patient.

On June 9, 2005, the Supreme Court of Canada rendered a decision in the case of *Chaoulli v. Québec (Attorney General)*, 2005 S.C.C. 35, in which the Court held that individuals in Québec could purchase private health insurance to cover the cost of healthcare services under the provincial health plan, because the health system in Québec was not meeting the needs of patients.

As result of the *Chaoulli* decision and the general consultation and public hearings that followed, on June 15, 2006, a year after the *Chaoulli* decision, the Québec Minister of Health and Social Services tabled Bill 33 introducing measures aimed at guaranteeing access to services and reducing waiting times in the public healthcare system in Québec. Bill 33 was passed and assented to on December 13, 2006 as *An Act to amend the Act respecting health services and social services and other legislative provisions* (the “Act”). Certain provisions of the Act came into force on December 13, 2006, March 1, 2007, June 13, 2007 and September 30, 2009.

The Act also creates a legal framework for carrying on medical activities in specialized medical centers. The operator of such a centre may provide in the centre all medical services necessary for the surgery specified by law, as well as any other specialized medical treatment that the Québec Minister of Health and Social Services may determine by regulation. The Act provides for supervision of the quality and safety of the medical services provided in a specialized medical center, in particular by requiring the operator of such a center to hold a permit, to obtain accreditation and to appoint a medical director. Only physicians who are members of the *Collège des Médecins du Québec* are allowed to operate such centers and, in cases in which such centers are operated by a legal entity (such as a company or a corporation), the majority of voting rights attached to the securities of such legal entities need to be held by physicians who are members of the *Collège des médecins du Québec* (Québec College of Physicians). On July 7, 2009, the Corporation’s Laval surgical facility obtained a five-year specialized medical centre license effective as of September 30, 2009 from the Québec Minister of Health and Social Services.

The Act also provides that, under certain conditions, an institution operating a hospital center may be authorized to become associated with a medical clinic for the provision of specialized medical services to users of the institution. If OPMEDIC Group were to become a specialized medical center or an associated medical clinic as defined in the *Act respecting health services and social services* (Québec), it may be required to obtain additional permits or licences and may be subject to further regulations and supervision by governmental authorities.

The fertility services and sperm banking activities offered by the Corporation through its PROCREA Clinics division and PROCREA Cryopreservation Center subsidiary are subject to the *Assisted Human Reproduction Act* (Canada) (the “HRA”) and the regulations thereunder. The HRA prohibits, among other things, the commercialization of egg and sperm donation, including the payment of anonymous egg donors, compensation for IVF services or advertisement of such services. In addition to having a valid license for its laboratory business, the Corporation must also hold a special license from the Assisted Human Reproduction Agency of Canada to operate its fertility services and to perform sperm banking activities. The Corporation has the required licenses to carry on its fertility business.

On April 22, 2009, the Québec Minister of Health and Social Services introduced Bill 26 aimed at regulating clinical and research activities relating to assisted procreation and to provide that assisted procreation services determined by regulation, such as *in vitro* fertilization (IVF), are insured services within the *Health Insurance Act* (Québec). Bill 26 provides that any assisted procreation activity must be carried out in a centre for assisted procreation and creates a legal framework for carrying on the activities,

in particular by requiring the operator of such a center to hold a permit, to obtain accreditation and to appoint a director meeting specific requirements to ensure that the activities carried out reflect high-quality, safe and ethical practices at all times. Only physicians who are members of the *Collège des médecins du Québec* (Québec College of Physicians) are allowed to operate such centers and, in cases in which such centers are operated by a legal entity, the majority of voting rights attached to the securities of such legal entities need to be held, directly or indirectly, by such physicians. Bill 26 was assented to on June 19, 2009 as an *Act respecting clinical research activities relating to assisted procreation* (the “**Assisted Procreation Act**”).

On December 22, 2010, the Supreme Court of Canada rendered a decision in the case of *Reference re Assisted Human Reproduction Act*, 2010 S.C.C. 61, in which the court held that provisions of the HRA concerning controlled activities, namely those involving assistance for human reproduction and related research activities and for implementing a regulatory scheme in that regard, do not fall under the criminal law power of the federal Parliament, but belong to the jurisdiction of the provinces. The court concluded and therefore declares numerous sections of the HRA unconstitutional and therefore invalid to the extent that they do not and fall within the traditional ambit of the federal criminal law power or deal with inspection and enforcement in relation to constitutionally valid provisions of the HRA. As a consequence, on March 29, 2012, the federal government introduced, as part of the omnibus Bill C-38, certain measures to amend the HRA to respond to the Supreme Court of Canada decision that was rendered in 2010, including by repealing the provisions that were found to be unconstitutional and abolishing the Assisted Human Reproduction Agency of Canada. Bill C-38 was passed and assented to on June 29, 2012. Certain provisions concerning the amendment of the HRA contained in Bill C-38 came into force on June 29, 2012 and other provisions will come into force upon the adoption of an order of the Governor in Council.

On August 5, 2010, the *Regulation respecting clinical activities related to assisted procreation* and the *Regulation amending the Regulation respecting the application of the Health Insurance Act* (collectively, the “**Regulation**”) came into force. The Regulation allowed the Assisted Procreation Act to come into force thereby permitting the provision of free assisted procreation services as of August 5, 2010. The Regulation lists the conditions and standards governing the obtaining of a licence to operate a center for assisted procreation carrying on clinical activities and the assisted procreation services that will be covered or paid for by the public healthcare system in Québec. Consequently, since August 5, 2010, all expenses for medical activities and drugs used for artificial insemination and three cycles of *in vitro* fertilization that are covered by the Regulation are assumed by the public healthcare system in Québec and couples or individuals who qualify for such medically assisted procreation services are no longer required to pay for such services. In Ontario, there is no equivalent to the Province of Québec's Assisted Procreation Act or the Regulation and patients must pay for all assisted procreation services.

Since August 5, 2010, all expenses for medically assisted procreation services that are covered by the Regulation are paid by the RAMQ to the attending physician, including the professional services fees retained by the attending physician and the portion of the expenses for medical procedure and technical services to be remitted by the attending physician to OPMEDIC Group for all services rendered. The professional services fees payable to the attending physician for the medically assisted procreation services that are covered by the Regulation are established by the RAMQ after consultation with the *Fédération des médecins spécialistes du Québec* (Québec's Federation of Specialized Physicians).

In 2010, the Government of Québec estimated that the number of *in vitro* fertilization cycles would increase from approximately 2,000 at the time of the publication of the Regulation to 3,500 in the following year and to 7,000 in 2014-2015. Between April 1, 2011 and March 31, 2012, 7,243 *in vitro* fertilization cycles were paid to all physicians in the Province of Québec by the RAMQ. However, under the *Health Insurance Act* (Québec) the aggregate amount of professional fees covered by the RAMQ for medically assisted procreation services performed in a private clinic by an attending physician are included and are subject to a semi-annual ceiling which varies in accordance with the type of services performed by, and the specialization of, the physician performing the services and the place where the services are rendered. See “—Risk Factors— *Regulation*” and “—Risk Factors— *Medically Assisted Procreation Services Regulated by the RAMQ*”.

Effective January 1, 2012, pursuant to an agreement signed on December 14, 2010 between Québec Minister of Health and Social Services and the *Fédération des médecins spécialistes du Québec* (Québec's Federation of Specialized Physicians), the prescribed rates related to *in vitro* fertilization activities carried out in private clinics in Québec that include a technical portion paid by the attending physician to private clinics have been reduced by 34%. The prescribed rates for a standard *in vitro* fertilization cycle that includes a technical portion were reduced from \$6,975 to \$4,600. Whereas the impact of this reduction has not affected the attending physicians, who continue to receive the same fees from the RAMQ for professional services provided in a hospital or a private clinic, there has been a reduction for the technical portion of the expenses that was payable to the private clinic by the attending physician for all services provided by the private clinic. The rate decrease does not affect other medically assisted procreation activities such as artificial inseminations and ultrasounds.

Human Resources

The staff of each OPMEDIC facility generally includes nurses, operating room technicians, laboratory technicians and clerical and other support staff.

As at August 31, 2012, the Corporation had a total of over 168 full and part-time employees (147 in 2011), 72 of which are located at the Corporation's head office in Montreal (71 in 2011). A total of 50 general practitioners or specialists (48 in 2011) also performed services for the Corporation as at the same date. Nurses performing services for the Corporation are full-time employees of the Corporation and are paid as such, whereas specialists who perform services for the Corporation are typically paid on a fee-for-service basis.

None of the Corporation's employees are unionized. Employees have access to ongoing training and professional development opportunities, internally as well as through outside educational programs. Competitive cash compensation and bonus plans are complemented by internal recognition programs and career advancement opportunities. The Corporation believes it has established and continues to foster a positive relationship with its employees.

OPMEDIC Group has experienced a high degree of physician, health professional and nurse retention as a result of the quality of services delivered and focuses on both employee and patient satisfaction. Management believes that the Corporation's facilities provide a less institutionalized work environment than traditional public hospitals and improved working conditions for both nurses and staff as a result of a limited number of night shifts and call duty, which in turn encourages staff to continually upgrade their clinical and customer service skills through formal and informal training and mentoring. The shortage of nurses generally affecting public hospitals and other public healthcare facilities in the Province of Québec has had limited impact on the Corporation's ability to attract and retain nurses.

Members of OPMEDIC Group's executive management team have, collectively, a very significant and relevant career experience.

All employees who have access to medical information are required to sign confidentiality agreements. The Corporation has entered into confidentiality agreements with all of its key management and with all of its other employees.

Other

Ethical Issues and OPMEDIC Group's Ethics Committee

OPMEDIC Group's Ethics Committee informs and advises clinicians and researchers, and protects the dignity, welfare and rights of patients and research subjects. In fulfilling its mandate, among other things, the Ethics Committee is called upon to evaluate or suggest internal policies in accordance with professional ethics and applicable laws, to make recommendations to the board of directors and to make judgement calls on individual clinical cases. The Corporation's Ethics Committee is also mandated to evaluate, approve and provide continual supervision for research projects involving OPMEDIC Group.

Structured on a multidisciplinary model, OPMEDIC Group's Ethics Committee's work is based on an open and dynamic relationship between its highly qualified members and the Corporation's staff members.

The permanent members are:

- Ms. Marie-Josée Bernardi, lawyer. Ms. Bernardi is Chair of the Corporation's Ethic Committee. She is also Vice-President and legal expert of the CHUM Research Ethics Board, as well as Chair of the Research Ethics Board and of the Biomedical Ethics Committee for the Centre de Santé et des Services Sociaux de Saint-Jérôme (Québec). Ms. Bernardi is also legal expert for the Research Ethic Board of the Health Sciences Department of the University of Montreal and ethics expert for the Research Ethics Board of the École Polytechnique de Montréal. She has been practicing law for over 24 years and has a Master's degree in Health Law and a Diploma in advanced studies (DEA) in International Public Law and International Organizations.
- Ms. Susan Bermingham, psychologist. Ms. Bermingham has over 19 years of experience as a psychologist specialized in fertility treatments. To date, she has met with more than 3,000 couples.
- Dr. Hélène Lavoie, endocrinologist. Dr. Lavoie has over 12 years of experience as an endocrinologist at the St-Luc Hospital in Montreal, Québec. She has been with PROCREA Clinics since 1998.
- Ms. Louise Raymond, laboratory technician retiree. Ms. Louise Raymond is a former employee of PROCREA Clinics and is now retired. She was Coordinator at the Fertility Laboratory for 17 years and one of the pioneers in the creation of the first sperm bank in Québec. She now acts as special consultant to PROCREA Clinics.
- Ms. Laura Robb, genetic counsellor. Ms. Robb has over 19 years of experience as genetic counsellor.
- Ms. Isabelle Turcot, public representative. Ms. Turcot is a Québec Notary and a former patient of PROCREA Clinics.
- Ms. Brigitte St-Pierre, ethics counsellor. Ms. St-Pierre is Chair of the CHUM Research Ethics Committee where she also worked as Ombudsman (Notre-Dame Hospital), management counsellor and assistant to the General Manager. Ms. St-Pierre is also the ethics counsellor for the Research Ethics Board of the Rivière-des-Prairies Hospital, the Centre hospitalier Anna Laberge, the Centre hospitalier de Verdun and the Centre de Santé et de Services sociaux de Saint-Jérôme. She has a minor in Philosophy (Ethics concentration), a degree in Nursing as well as a Master's degree in Health Administration.
- Mr. Yves Poirier, ethics counsellor. Mr. Poirier currently acts as ethics counsellor to the Grace Dart Extended Care Centre, the CHUM, the Health and Social Services Centre (CSSS) of Saint-Jérôme and the Joint Research Committee of the Neuroimaging Group at the Institut Universitaire de Gériatrie de Montréal. He has a degree in Applied Social Sciences (option Bioethics), as well as a Masters degree in Public Administration and a specialized degree in Social Services.

Environmental Matters

OPMEDIC Group has a recycling policy which is adhered to by all employees. OPMEDIC Group also has comprehensive policies and procedures for the disposal of biohazardous waste (e.g. needles, etc.). Only approved disposal containers are utilized in all of the Corporation's facilities, and waste disposal services are provided by licensed carriers.

Furthermore, the Corporation outsources its laboratory testing requirements for blood and urine to a national laboratory. Samples are picked up on a daily basis, on working days, and results are usually obtained in two to three weeks.

Intellectual Property

OPMEDIC Group has trademarks registered with the Canadian Intellectual Property Office for the names “OPMEDIC”, “PROCREA”, “Combitest”, “Androtest”, “Amnio-Express” and “Combogene”.

Insurance

All physicians working for the Corporation are covered by their own professional liability insurance policies. In addition, the Corporation maintains professional liability insurance (subject to a maximum limit of \$2 million per year), general civil liability insurance (subject to a maximum limit of \$2 million per year) and tenant liability insurance (subject to a maximum limit of \$1 million per year) for claims that could result from its operations.

DIVIDENDS

The Corporation has paid the following dividends on its Common Shares since September 1st, 2009:

Announcement Date	Record Date	Payment Date	Amount of dividend
November 16, 2009	November 25, 2009	November 30, 2009	\$0.01 per Common Share
January 7, 2010	January 22, 2010	January 29, 2010	\$0.015 per Common Share
April 9, 2010	April 23, 2010	April 30, 2010	\$0.01 per Common Share
July 9, 2010	July 23, 2010	July 30, 2010	\$0.015 per Common Share
November 15, 2010	November 25, 2010	November 30, 2010	\$0.01 per Common Share
January 7, 2011	January 21, 2011	January 28, 2011	\$0.025 per Common Share
April 7, 2011	April 21, 2011	April 28, 2011	\$0.025 per Common Share
July 8, 2011	July 21, 2011	July 28, 2011	\$0.025 per Common Share
November 14, 2011	November 21, 2011	November 28, 2011	\$0.025 per Common Share
February 10, 2012	February 22, 2012	February 29, 2012	\$0.02 per Common Share
April 13, 2012	April 25, 2012	April 30, 2012	\$0.02 per Common Share
July 13, 2012	July 25, 2012	July 31, 2012	\$0.02 per Common Share

Dividends are subject to the discretion of the Corporation's board of directors and will be dependent upon the Corporation's financial condition, results of operations, current and anticipated cash requirements, plans for expansion, as well as such other factors as the Corporation's board of directors may deem relevant from time to time.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized share capital is comprised of an unlimited number of Common Shares. As at November 8, 2012, there were 17,274,867 Common Shares issued and outstanding.

The following is a brief description of the rights, privileges, restrictions and conditions attaching to the Common Shares. This description does not purport to be complete and is subject, and qualified in its entirety by reference, to the Corporation's articles.

Voting

The Common Shares carry one vote per share and the holders of Common Shares are entitled to receive notice of any meeting of shareholders of the Corporation and to attend and vote thereat as a single class on all matters to be voted on by the shareholders of the Corporation, except at meetings where the holders of shares of one class or of a particular series of shares are entitled to vote separately pursuant to the *Business Corporations Act* (Québec).

Dividends

The holders of outstanding Common Shares are entitled to receive dividends on a share-for-share basis out of the assets legally available therefor at such times and in such amounts as the board of directors of the Corporation may, from time to time, decide.

Rights upon Dissolution, Liquidation or Winding-up

The Common Shares are not redeemable or retractable. Upon the liquidation, dissolution or any distribution of the assets of the Corporation for the purpose of winding up its affairs, the holders of Common Shares are entitled to participate equally, on a share-for-share basis, in the remaining property and assets of the Corporation available for distribution to such holders.

RISK FACTORS

You should carefully consider the following risk factors in addition to the other information contained in this AIF which must be read in conjunction with the following risk factors. The risks and uncertainties below are not the only ones facing the Corporation. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently considers immaterial may also impair the Corporation's business operations and cause the price of the Corporation's Common Shares to decline. If any of the following risks actually occur, the business of the Corporation may be harmed and the Corporation's financial condition and results of operations may suffer significantly. In that event, the trading price of Common Shares could decline, and investors may lose all or part of their investment.

Regulation. Our business is subject to federal, provincial and local regulation relating to, among other things, licensing, conduct of operations, designation of medical personnel, physician relationships, performance of medical services and reimbursement rates for services. Portions of the Corporation's business are heavily dependent on such regulation and licenses delivered thereunder. The laws, rules and regulations governing the health industry are extremely complex, and, in certain areas, the industry has little or no regulatory or judicial interpretation for guidance. If a determination is made that we were in violation of such laws, rules or regulations, we could be subject to penalties or liabilities or be required to make significant changes to our operations. In addition, healthcare continues to attract much legislative interest and public attention. We are unable to predict the future course of federal, provincial and local regulation or legislation but we closely monitor legislative developments and ensure compliance with current regulations. Further changes in the regulatory framework affecting healthcare providers and, in particular, providers of procreation services, could have a material adverse effect on our business, financial condition, results of operations and/or cash flows. See "Description of the Business— Regulatory Environment" above.

Medically Assisted Procreation Services Regulated by the RAMQ. Under applicable regulation, the aggregate amount of professional fees established and covered by the RAMQ for medically assisted procreation services performed in a private clinic by an attending physician are included and are subject to a semi-annual ceiling which varies in accordance with the type of services performed by, and the specialization of, the physician performing the services and whether the services are rendered in a private clinic or the public sector. Therefore, the amount of expenses for medical procedure and technical services paid to OPMEDIC Group in conjunction with the medically assisted procreation services covered by the RAMQ may be affected if one or many of the Corporation's attending physicians are limited in their ability to perform professional medically assisted procreation services because of the ceiling imposed upon them by the RAMQ or if the technical services fee component paid by the RAMQ is modified. Such limitations may materially affect the Corporation's fertility revenues. See "Description of the Business—Regulatory Environment" above.

Public Healthcare System. Should there be an investment in the public healthcare system focusing on the services actually offered by the Corporation or a significant reduction of current waiting times in the public healthcare system, the competitive advantage of the Corporation may be reduced, and this could adversely affect the Corporation's results of operations and financial condition.

Medical Specimens, Biohazards and Health & Safety. The Corporation is subject to governmental regulation and licensing requirements which relate to, among other matters, the conduct of testing and reporting of results, the handling and disposal of medical specimens, biohazards and other materials, and the health and safety of employees. The Corporation is subject to periodic inspections by regulatory agencies. Health, safety and hazard legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, and a heightened degree of responsibility for companies and their officers, directors and employees. Sanctions for failure to comply with licensing requirements and other regulations may include the revocation of licenses, the denial of the right to conduct business, significant fines and criminal penalties. The occurrence of any of these events could have a material adverse effect on the Corporation's results of operations and financial condition.

Shortage of Physicians, Nurses and Laboratory Specialists. There is currently a shortage of physicians, nurses and other health-related professionals in Canada, and in the Province of Québec since the coming into force of the free assisted procreation program, of laboratory specialists in embryology. The inability of the Corporation to hire physicians, nurses and other health-related professionals may affect the services offered by the Corporation, and may materially affect the Corporation's revenues.

Uncertainty of Liquidity and Capital Requirements. The Corporation's future capital requirements will depend on many factors, including the rate of growth of its client base, the costs of expanding into new markets, the growth of the market for health services and the costs of administering the Corporation. In order to meet such capital requirements, the Corporation may consider additional public or private financing (including the incurrence of debt and the issuance of additional equity securities) to fund all or a part of particular programs, which could entail dilution to shareholders of the Corporation. There can be no assurance that additional funding will be available or, if available, that it will be available on acceptable terms. If adequate funds are not available, the Corporation may have to reduce substantially or otherwise eliminate certain expenditures, including marketing of its products and services, or obtain funds through arrangements with corporate partners that may require the Corporation to relinquish rights to certain of its technologies or products. There can be no assurance that the Corporation will be able to raise additional capital if its capital resources are exhausted.

Insurance. All physicians working for the Corporation or at the Corporation's facilities are covered by their own professional liability insurance policies. In addition, the Corporation maintains professional liability insurance, commercial insurance, general civil liability and tenant liability insurance in amounts it believes are sufficient to cover claims arising out of its operations. Some claims, however, could exceed the scope of its coverage or the coverage of particular claims could be denied. If such claims were to exceed the insurance coverage of the Corporation and physicians, this could have a material adverse effect on the Corporation's financial condition and results of operations. There is no assurance that the existing coverage will continue to be sufficient or that, in the future, policies will be available at adequate

levels of insurance or at acceptable costs. Litigation could adversely affect the Corporation's existing and potential client relationships, create adverse public relations and divert management's time and resources from the operations of the business.

Confidentiality of Personal and Health Information. The collection, use and disclosure of patient personal and health information are subject to substantial regulation by federal and, in most cases, by provincial governments. These laws provide that the individual's consent is required prior to the collection, use and disclosure of the information collected from them (with limited prescribed exceptions), that the collected information be protected with reasonable security measures and that the individuals have access to the information so collected in order to ensure its accuracy. In addition, future legislation may affect the dissemination of health information that is not individually identifiable. Physicians and other persons providing patient information to the Corporation are also required to comply with these laws and regulations. If a client's privacy is violated, or if the Corporation is found to have violated any law or regulation, it could be liable for damages or for criminal fines or penalties.

No Assurance of Successful Development or Marketing. To achieve profitable operations, the Corporation, alone or with others, must successfully develop, introduce and market its services. No assurances can be provided that any future development of the Corporation's services will yield favourable results. Moreover, there can be no assurance that consumers will accept the Corporation's services in sufficient numbers to provide a profitable level of revenue for the Corporation.

Competition. Market acceptance of the Corporation's current or future services will depend upon those services providing benefits comparable to or greater than other services currently available. There can be no assurance that developments by others will not render the Corporation's services or technologies non-competitive or that the Corporation will be able to keep pace with technological developments. Competitors may develop technologies which could be the basis for competitive services.

Acquisition and Integration. The Corporation hopes to make acquisitions of various sizes that fit particular niches within the Corporation's overall corporate strategy of developing a portfolio of integrated healthcare businesses. There is no assurance that it will be able to acquire businesses on satisfactory terms or at all. These acquisitions will involve the commitment of capital and other resources, and these acquisitions could have a major financial impact in the year of acquisition and beyond. The speed and effectiveness with which the Corporation integrates these acquired corporations into its existing businesses may have a significant short-term impact on the Corporation's ability to achieve its growth and profitability targets.

The successful integration and management of acquired businesses involves numerous risks that could adversely affect the Corporation's growth and profitability, including that:

- a) Management may not be able to manage successfully the acquired operations and the integration may place significant demands on management, thereby diverting its attention from existing operations;
- b) Operational, financial and management systems may be incompatible with or inadequate to integrate into the Corporation's systems and management may not be able to utilize acquired systems effectively;
- c) Acquisitions may require substantial financial resources that could otherwise be used in the development of other aspects of the business;
- d) Acquisitions may result in liabilities and contingencies which could be significant to the Corporation's operations; and
- e) Personnel from the Corporation's acquisitions and its existing businesses may not be integrated as efficiently or at the rate foreseen.

The acquisition of healthcare-related corporations or assets involves a long cost recovery cycle. The sales processes for the products that these corporations offer are often subject to lengthy customer approval processes that are typically accompanied by significant capital expenditures. Failures by the Corporation in achieving signed contracts after the investment of significant time and effort in the sales process could have an adverse impact on the Corporation's operating results.

Key Employees. The Corporation's ability to offer services will depend, to a great extent, on its ability to attract and retain highly qualified personnel and to develop and maintain relationships with strategic partners. Competition for such personnel and relationships is intense. The Corporation is highly dependent on the principal members of its management staff as well as its advisors and collaborators, the loss of whose services might impede the achievement of development objectives. The persons working with the Corporation are affected by a number of influences outside of the control of the Corporation. The loss of key employees and/or key collaborators may adversely affect service delivery. In particular, the loss of any of the three founding physicians of the Corporation, namely Dr. Pierre St-Michel, President and Chief Executive Officer of the Corporation, Dr. Marc Villeneuve, a director of the Corporation, or Dr. Jean-Yves Fontaine, could have a negative impact on the business of the Corporation.

Dependence on Physician Relationships. The Corporation's success depends, in part, on its ability to attract surgeons and other physicians to its surgical facilities and to maintain the services required to perform surgical procedures. Although the Corporation thinks its structure will be attractive to surgeons and other physicians, there can be no assurance that the Corporation will succeed in that respect. In addition, there can be no assurance that physicians performing procedures at the Corporation's facilities will maintain successful medical practices or that physicians will continue to perform procedures at the Corporation's facilities at current levels, or at all.

Risks of Future Legal Proceedings. Any alleged failure by the Corporation to comply with laws and regulations may lead to the imposition of fines and penalties or the denial, revocation or delay in the renewal of permits and licenses issued by governmental authorities. A significant judgment against the Corporation or the imposition of a significant fine or penalty could have a material adverse effect on the Corporation's business, financial condition and results of operations. Moreover, the Corporation may from time to time be notified of claims that it may be infringing patents, copyrights or other intellectual property rights owned by or licensed to other third parties. Any litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the Corporation's business, financial conditions and results of operations.

Dividends. Any payment of dividends is subject to the discretion of the Corporation's board of directors and will be dependent upon the Corporation's financial condition, results of operations, current and anticipated cash requirements, plans for expansion, as well as such other factors as the Corporation's board of directors may then deem relevant.

Tax Related Risks. The income of the Corporation will be taxed in accordance with applicable tax laws, which may be changed in a manner that could adversely affect the amount of cash available to pay dividends to the shareholders of the Corporation.

Intellectual Property. The Corporation has registered certain trademarks with the Canadian Intellectual Property Office. See "Description of the Business—Other—Intellectual Property" above. The unauthorized reproduction or infringement of the Corporation's intellectual property rights, particularly a copy of its trademarks could allow others to benefit from the goodwill associated with these trademarks and cause material damage to the Corporation.

Labour Relations. Currently, none of the Corporation's employees are unionized. There can be no assurance that the Corporation's employees will not unionize in the future. While labour relations have been stable to date, the maintenance of a productive and efficient labour environment and, in the event of unionization, the successful negotiation of a collective bargaining agreement cannot be assured. Negotiations of a collective bargaining agreement could result in a strike or work stoppage by the affected workers or higher wages or benefits paid to union members. Any disruptions of the Corporation's

operations or higher ongoing labour costs could have a material adverse effect on the Corporation's business, results of operations and financial condition.

Control by Principal Shareholders. Dr. Pierre St-Michel and Dr. Marc Villeneuve beneficially own or have control over, directly or indirectly, approximately 28.25% and 29.18%, respectively of the outstanding Common Shares, which, in the aggregate, represents approximately 57.43% of the voting rights attached to all Common Shares. As a result, they may be able to exercise control over most matters requiring shareholder approval, including the election of directors and the approval of significant corporate transactions. Such concentration of ownership may have the effect of delaying or preventing a change in control of the Corporation.

Statutory Ownership Constraints. A corporate entity that operates a specialized medical center in the Province of Québec under *An Act to amend the Act respecting health services and social services and other legislative provisions* and centers for assisted procreation is subject to the requirement under such statute that a majority of the voting rights attached to all issued and outstanding securities of such entity be held by physicians who are members of the *Collège des médecins du Québec* (Québec College of Physicians). This statutory ownership constraint may have the effect of limiting the market for the Common Shares and making it more difficult or even impracticable for the Corporation to be sold. Consequently, the shareholders of the Corporation may have a limited ability to participate in or benefit from a change-of-control premium.

Volatility of Common Share Price. Market prices for the securities of health services companies may be volatile. Factors such as announcements (publicly made or at conferences) of innovations, new commercial and/or medical products, patents, the development of proprietary rights by the Corporation or others, regulatory actions, publications, quarterly financial results or public concerns over health, future sales of securities by the Corporation or by its current shareholders and other factors could have a significant effect on the market price and volatility of the Common Shares. Furthermore, since the Corporation's initial public offering on December 22, 2005, the market price of the Common Shares has experienced significant fluctuations and is likely to continue to fluctuate significantly. Such volatility in the trading price of the Common Shares can occur in response to general market conditions or low liquidity levels or trading volumes for the Common Shares and cause an increase or decline in the price of the Common Shares without regard to the Corporation's operating performance, as well as in response to changes in the Corporation's business or of the health services market generally.

Dilution. The Corporation is authorized to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as are established by the board of directors of the Corporation, without the approval of any shareholders of the Corporation. Further issuances of Common Shares will dilute the interests of existing shareholders of the Corporation.

Future Sales of Common Shares. Sales of a substantial number of Common Shares in the public market or otherwise could adversely affect the prevailing market prices of the Common Shares and could impair the Corporation's ability to raise additional capital through an offering of its equity securities.

Potential Fluctuations in Financial Results and Forecasting. The Corporation's revenues and operating results may vary from quarter to quarter. As a result, quarter-to-quarter comparisons of the Corporation's revenues and operating results may not be meaningful. There is no guarantee that the Corporation will be able to accurately predict future revenues or results of operations. In that eventuality, it is possible that in one or more future quarters the Corporation's operating results will fall below the expectations of securities analysts and investors. If this happens, the trading price of the Common Shares might be materially and adversely affected.

Legislative Actions, New Accounting Pronouncements. Changes in financial accounting standards or implementation of accounting standards may cause adverse, unexpected revenue or expense fluctuations and affect the Corporation's financial position or results of operations. New accounting pronouncements and varying interpretations of pronouncements have occurred with greater frequency and are expected to occur in the future, and the Corporation may make or be required to make changes in

its accounting policies in the future. Compliance with changing regulations of corporate governance and public disclosure, notably with respect to internal controls over financial reporting, may result in additional expenses.

MARKET FOR SECURITIES

The Common Shares of the Corporation are listed for trading on the TSX under the symbol “OMG”. The following table sets out, for the relevant period, the market price range and average monthly trading volume of the Common Shares on the TSX.

	Period	High	Low	Close	Volume
2011	September	4.98	4.47	4.80	38,500
	October	5.00	4.25	4.95	55,900
	November	4.95	4.47	4.70	124,900
	December	4.80	2.95	3.14	374,400
2012	January	3.80	2.92	3.56	105,500
	February	3.96	3.10	3.15	145,300
	March	3.28	3.10	3.25	95,400
	April	3.64	2.43	2.89	175,700
	May	3.00	2.52	2.60	114,700
	June	2.81	2.30	2.60	87,600
	July	2.64	2.50	2.60	32,400
	August	2.75	2.55	2.75	40,900

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

Below is a table indicating the name, province and country of residence of each director and executive officer of the Corporation as at November 8, 2012 and their respective positions and offices held with the Corporation as well as the period or periods during which each director has served as a director and when his or her term of office will expire and the number and percentage of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by all directors and executive officers of the Corporation.

Name and Municipality of Residence	Position with OPMEDIC Group and Year when First Appointed	Principal Occupation	Number of Common Shares Owned Directly or Indirectly or Over Which Control or Direction is Exercised
Jacques Landreville ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Brossard, Québec	Chairman of the Board, 2007	Director of Colabor Group Inc., GLV Inc., Lassonde Industries Inc. and OPMEDIC Group	15,000
Dr. Pierre St-Michel Montréal, Québec	President and Chief Executive Officer and director, 2002	President and Chief Executive Officer of OPMEDIC Group and gynaecologist	4,879,860 ⁽⁵⁾
Dr. Marc Villeneuve Ste-Foy, Québec	Director, 2002	Gynaecologist and medical director of PROCREA Clinics in Québec City	5,040,020 ⁽⁶⁾
Jean Larivée ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Montréal, Québec	Director, 2006	President and Chief Executive Officer of Prochaps Corporation	-
Hani Basile ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Kirkland, Québec	Director, 2005	Businessman, director of OPMEDIC Group and Sanimax Industries Inc.	31,400

Name and Municipality of Residence	Position with OPMEDIC Group and Year when First Appointed	Principal Occupation	Number of Common Shares Owned Directly or Indirectly or Over Which Control or Direction is Exercised
Jean Marc Lachance Laval, Québec	Vice President finances and Chief Financial Officer, 2002	Vice President finances and Chief Financial Officer of OPMEDIC Group	6,789
Paulo Bouça Montréal, Québec	Chief Operating Officer and Vice President Business Development, 2005	Chief Operating Officer and Vice President Business Development of OPMEDIC Group	-
Jacques Lemieux Montréal, Québec	Corporate Secretary, 2005	Partner at the law firm Norton Rose Canada LLP	25,000

Notes:

- (1) Member of the Human Resources and Compensation Committee.
- (2) Member of the Corporate Governance Committee.
- (3) Independent Director.
- (4) Member of the Audit Committee.
- (5) Dr. St-Michel beneficially owns, directly or indirectly, 28.25% of the total number of Common Shares issued and outstanding as of the date hereof.
- (6) Dr. Villeneuve beneficially owns, directly or indirectly, 29.18% of the total number of Common Shares issued and outstanding as of the date hereof.

The directors are elected at the Annual General Meeting for a period of one year. The Corporation's next Annual General Meeting is scheduled to be held in January, 2013 and it is anticipated that all of the directors currently serving on the board of directors of the Corporation will be nominated for re-election. Officers of the Corporation are appointed by the Corporation's board of directors.

As of August 31, 2012, 9,998,069 Common Shares of the Corporation were beneficially owned, directly or indirectly, by the directors and executive officers, as a group, representing approximately 57.88% of the total number of issued and outstanding voting securities of the Corporation (17,274,867 Common Shares).

Below is a brief biography of the directors and officers of OPMEDIC Group providing information with respect to their principal occupation during the five preceding years.

Jacques Landreville, Chairman of the Board

Mr. Jacques Landreville holds an MBA degree and a pre-doctorate degree. Mr. Landreville acts as a consultant for different private companies. He is currently the Chairman of the board of trustees of the Colabor Income Fund, a member of the board of trustees of Livingston International Income Fund (a public income trust) and a member of the board of directors and of the Human Resources and Compensation Committee of its wholly owned subsidiary, Livingston International. He occupied the position of President and Chief Executive Officer of Uni-Select Inc. from 1991 to 2008. Prior to that date, Mr. Landreville held executive positions for several companies including Humpty-Dumpty Foods, Lassonde Industries and Culinar. He began his career as a professor at the Université du Québec in Chicoutimi and as director of the MBA program at Université de Sherbrooke. Mr. Landreville sits on the board of directors of a number of companies, including the following reporting issuers: Colabor Group Inc. (TSX: GCL), GLV Inc. (TSX: GLV) and Lassonde Industries Inc. (TSX: LASA).

Dr. Pierre St-Michel M.D., FRCSC, Director and President and Chief Executive Officer of OPMEDIC Group

Dr. Pierre St-Michel obtained his Medical Degree from the University of Montreal in 1976 and completed his training specializing in obstetrics-gynaecology at the same institution in 1980. He was a recipient of a Medical Research Council of Canada Scholarship. Dr. St-Michel has been licensed to practice medicine in California since 1980. He completed his fellowship studies in reproductive endocrinology and infertility at the University of Southern California (USC) in 1981. Dr. St-Michel is

certified by the Royal College of Physicians and Surgeons of Canada as a specialist in obstetrics-gynaecology and is a member of the Québec College of Physicians. He is also certified by the Medical Council of Canada and by the National Board of Medical Examiners (U.S.). Dr. St-Michel was Chief of Surgery at Hôpital Fleury in Montreal from 1998 to 2002. He was also a member of the board of administrators of the same hospital in 2002. He joined the Corporation's Montreal operations in 1995. In addition to his clinical duties, Dr. St-Michel has been President and Chief Executive Officer of the Corporation since December 2002. He is currently one of the medical directors of the ART Medical Board Canadian Fertility and Andrology Society. He is an active member of the Canadian Fertility and Andrology Society and the American Society of Reproductive and Capital Medicine. From 1982 to 1985 Dr. St-Michel was on the board of directors and a principal shareholder of "Les Ordinateurs Hypocrat" which made an initial public offering of its shares in 1982 and a second public offering in 1984-1985. That company was listed on the Montreal stock exchange and was sold to an American public company in 1995. From 1984 to 1987, Dr. St-Michel was a member of the board of directors of Domicil Inc., which went public in 1984-1985. That company was listed on the Montreal stock exchange and Dr. St-Michel was one of its principal shareholders, financial vice-president and secretary of the company. Dr. St-Michel was involved in the pre-capitalization of various private companies and the amalgamation of such companies before their first public offering.

Dr. Marc Villeneuve, M.D., FRCSC, FACOG, Director and Medical Director of PROCREA Clinics

Dr. Marc Villeneuve obtained his Medical Degree from Laval University, Québec City in 1985 and completed his training specializing in Obstetrics-Gynaecology at the same institution in 1990. He was a Recipient of The Samuel G. McLaughlin Foundation's scholarship from 1990 to 1992 and completed his fellowship studies in Reproductive Endocrinology and Infertility at The Medical College of Georgia (MCG) during those two years. Dr. Villeneuve is certified in Obstetrics and Gynaecology and also in Reproductive Endocrinology by the American Board of Obstetrics and Gynaecology. He is also certified in Obstetrics and Gynaecology by the Royal College of Surgeons of Canada and by the Québec College of Physicians. Dr. Villeneuve is a certified first trimester ultrasonographer and has passed both theoretical and practical examinations by the Foetal Medicine International Foundation. Dr. Villeneuve has written numerous articles in peer-reviewed Journals and has given several national and international presentations in his field of competence. The department of Obstetrics and Gynaecology of Laval University has given Dr. Villeneuve the title of Clinical Teacher and he has been involved in teaching and research in obstetrics, gynaecology and reproductive endocrinology since 1992 at the Centre Hospitalier Universitaire de Québec. Dr. Villeneuve is one of the medical directors on the ART medical board of the Canadian Fertility and Andrology Society. He is an active member of the Canadian fertility and Andrology Society and of the American Society of Reproductive Medicine.

Jean Larivée, Director

Mr. Jean Larivée is currently the President and Chief Executive Officer of Prochaps Corporation, a Montreal private company. From 1993 to 2001, he was the President and Chief Executive Officer of ITEC Mineral Inc., a mine tailing decontamination company having operations in Canada, USA and South America. He also served as Executive Vice-President of PGL International Group, a construction development company having international operations. Mr. Larivée brings board experience from various public companies. Jean Larivée received his Master degree in business administration from Sherbrooke University.

Hani Basile, Director

Mr. Hani Basile is currently director of Sanimax Industries Inc., a private recycling company. He was until August 27, 2012 President and Chief Executive Officer of the Juvenile group of Dorel Industries Inc. where he oversaw the management of multiple operating entities in Europe, the USA, Canada, Australia, Brazil, Chile and Peru. Previously at Dorel Industries Inc., he held various executive positions including Chief Operating Officer of the Juvenile Segment, Corporate Vice-President – Juvenile and Recreation, Chief Executive Officer of Dorel Distribution Canada, the Canadian subsidiary of Dorel Industries, Inc., and began in 2003 at Dorel Industries Inc., as Vice-President Corporate Management.

From 1999 to 2003, Mr. Basile was Senior Vice President and Chief Operating Officer at I-Tech Sport Product Inc., a manufacturer of sporting goods with special emphasis in hockey. Mr. Basile has extensive general management experience capable of elaborating, developing and managing overall corporate objectives and strategies as well as business structures to support and ensure the success of strategic corporate goals. Mr. Basile is a Certified Management Accountant. He obtained a Bachelor of Commerce at the University of Concordia in 1983.

Jean-Marc Lachance, CA, MBA, OPMEDIC Group Vice President finances and Chief Financial Officer

Mr. Lachance earned a bachelor in accounting science from the Université du Québec à Montreal (UQAM) in 1984. He is a member of the *Ordre des comptables professionnels agréés du Québec*. After occupying several auditing and financial management positions with the Confédération des Caisses populaires Desjardins for ten years from 1988 to 1998 he was appointed as administrative director of the Québec Order of Pharmacists in 1998, a position that he held until 2001 while at the same time obtaining his MBA Finance and General Management at HEC Montreal. Jean-Marc Lachance was recruited by Procrea BioSciences Inc. in 2001 and joined OPMEDIC Group in 2002.

Paulo Bouça, OPMEDIC Group Chief Operating Officer and Vice President Business Development

Mr. Bouça has over 15 years of extensive experience in the field of medical devices and in the laboratory industry. From 2004 to 2005, he was President of Vestagen Inc., where he provided consulting and technology transfer services to international diagnostic companies. Prior to that, from 2000 to 2004, Mr. Bouça was General Manager and Corporate Vice President Business Development of Adaltis Inc. He was also the General Manager of the Canadian Affiliate of Biochem ImmunoSystems Inc., the diagnostic division of Biochem Pharma, between 1996 and 2000, and held several senior management positions, including Senior Director of Operations and Manufacturing Director in the same company from 1988 to 1996. While at Adaltis Inc. and at Biochem ImmunoSystems Inc. Mr. Bouça had direct responsibilities for or involvement with international alliances, mergers and acquisitions, and in and out licensing of patented technologies with other major international companies. He was also involved with the commercialization of a number of new medical device lines of products and the implementation and operation of clinical and chemistry laboratories. Mr. Bouça studied Medicine for two years at the University of Lisbon and Biochemistry at Concordia University in Montreal.

Jacques Lemieux, OPMEDIC Group Corporate Secretary

Mr. Lemieux is a partner of the law firm Norton Rose Canada LLP, a multidisciplinary firm forming part of the leading international law firm Norton Rose which has 43 offices in Europe, Asia Pacific, Canada, South America, Africa and the Middle East. Mr. Lemieux has oriented his practice towards the field of commercial law with a particular emphasis on mergers and acquisitions, technology transfers, financing, the implementation of strategic alliances and joint ventures and outsourcing. Mr. Lemieux obtained a Bachelor's Degree in Biological Science (concentration Microbiology), from the University of Montréal in 1988. Mr. Lemieux then pursued studies at the University of Ottawa where he obtained in 1992 a License in Civil Law (LL.L), a Master's in Business Administration (MBA) and, in 1993, a Bachelor's Degree in Common Law (LL.B.). Mr. Lemieux was called to the Québec Bar in 1993.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation and based upon information provided to it by the Corporation's directors and executive officers, none of such directors or executive officers is or has been, in the last ten years, a director or executive officer of any company that, while such person was acting in that capacity: (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days or (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the

relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Corporation and based upon information provided to it by the Corporation's directors and executive officers and shareholders holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, none of such directors, executive officers or shareholders, (a) is or has been, in the last ten years, a director or executive officer of any company that, while that person was acting in that capacity within a year of that person ceasing to act in that capacity, became bankrupt, 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 or (b) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

Mr. Basile, a director of the Corporation, was a director of Sherwood-Drolet Ltd., which filed a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada) on May 5, 2008 and, in connection therewith, Mr. Basile resigned as a director of Sherwood-Drolet Ltd. On June 20, 2008, Sherwood Hockey Inc., a privately held company incorporated in 2008, purchased all the business assets relating to Sherwood-Drolet Ltd.

Conflicts of Interest

To the knowledge of the Corporation, except as may be described elsewhere in this AIF, no director or officer of the Corporation or of its subsidiaries has had any existing or potential conflict of interest with the Corporation or its subsidiaries.

In the normal course of business, the Corporation pays professional fees to physicians who render services to the Corporation. Drs. Marc Villeneuve and Pierre St-Michel are also physicians employed by the Corporation who are directors of the Corporation. No other physicians employed by the Corporation are also currently directors of the Corporation.

The leases for the Corporation's facilities in Laval are between the Corporation and 9160-1708 Québec inc., a corporation wholly owned by Gestion Pierre St-Michel Inc. (a corporation wholly owned by Dr. Pierre St-Michel) as to 50% and by Gestion MV122 Inc. (a corporation wholly owned by Dr. Marc Villeneuve) as to the other 50%. Both of these centers are leased at the prevailing market rates for comparable space. Any issues that may arise regarding the leases will be addressed by the Corporation's board of directors in an *in camera* session and through the Corporate Governance Committee in respect of non-arm's length transactions.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, except as may be described elsewhere in this AIF (see "Directors and Officers— "Conflicts of Interest" above), no director or executive officer of the Corporation or of its subsidiaries, no person or company that is the director or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Common Shares of the Corporation and no associate or affiliate of any of the foregoing persons or companies, has any material interest, direct or indirect, in any transaction that materially affects the Corporation or its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The Registrar and Transfer Agent for the Corporation is:

Computershare Investor Services Inc.
1500 University Street, Suite 700
Montréal, Québec H3A 3S8

LEGAL PROCEEDINGS

In the ordinary course of business, the Corporation may, from time to time, be subject to various pending and threatened lawsuits in which claims for monetary damages are asserted. None of the Corporation or its subsidiaries is involved in any legal proceedings which have a material effect on the Corporation. To the knowledge of management, no legal proceedings of a material nature involving the Corporation or its subsidiaries have been pending or threatened by any individuals, entities or governmental authorities.

INTERESTS OF EXPERTS

The auditor of the Corporation, KPMG LLP, reported on the financial statements of the Corporation for the financial year ended August 31, 2012, which were filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Manitoba, Ontario and Québec. The Corporation is advised that, as at the date hereof, the members of KPMG LLP are independent in accordance with the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*. These rules are equivalent or similar to Rules of Professional Conduct applicable to chartered professional accountants in the other provinces of Canada.

ADDITIONAL INFORMATION

Additional Information

Additional information relating to the Corporation may be found free of charge on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under equity compensation plans, if applicable, is also contained in the Corporation's Information Circular pertaining to its most recent annual meeting of shareholders that involved the election of directors and in the Corporation's comparative financial statements and MD&A for its most recently completed financial year.

Information Required Pursuant to National Instrument 52-110 – *Audit Committees* ("NI 52-110")

NI 52-110 requires that the Corporation include in its AIF additional information required pursuant to Form 52-110F1, *Audit Committee Information Required in an AIF*. The information required is indicated below.

1. Audit Committee's Charter

The Corporation's audit committee (the "**Audit Committee**") is governed by an audit committee Charter, the text of which is attached as Schedule "A" to this AIF.

The purpose of the Audit Committee is to act as the representative of the Corporation's board of directors in carrying out its oversight responsibilities relating to:

- the audit process;
- the financial accounting and reporting process to shareholders and regulatory bodies; and
- the system of internal financial controls.

2. Composition of the Audit Committee

The Corporation's audit is comprised of three directors, as set forth below:

- Hani Basile, Chairman;
- Jacques Landreville; and
- Jean Larivée.

As defined in NI 52-110, the board of directors of the Corporation has determined that all members of the audit committee are independent and financially literate, meaning that 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 Corporation's financial statements.

3. Relevant Education and Experience

- Hani Basile, Chairman, is a Certified Management Accountant. He obtained a Bachelor of Commerce at the University of Concordia in 1983. (See "Directors and Officers" for the details of Mr. Basile's education and experience).
- Jacques Landreville acts as a consultant for different private companies. He holds an MBA degree and a pre-doctorate degree. (See "Directors and Officers" for the details of Mr. Landreville's education and experience).
- Jean Larivée has a board experience with various public companies. He received his MBA from Sherbrooke University in 1970. (See "Directors and Officers" for the details of Mr. Larivée's education and experience).

4. Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year, has the Corporation relied on the following exemptions under NI 52-110:

- the exemption in section 2.4 (*De Minimis Non-audit Services*);
- the exemption in section 3.2 (*Initial Public Offering*);
- the exemption in section 3.4 (*Events Outside Control of Member*);
- the exemption in section 3.5 (*Death, Disability or Resignation of Audit Committee Member*); or
- an exemption from NI 52-110, in whole or part granted under Part 8 (*Exemptions*).

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

At no time since the commencement of the Corporation's most recently completed financial year, has the Corporation relied on the exemption in subsection 3.3(2) (*Controlled Companies*), or section 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*) of NI 52-110.

6. Reliance on Section 3.8 of NI 52-110

At no time since the commencement of the Corporation's most recently completed financial year, has the Corporation relied on the exemption in section 3.8 (*Acquisition of Financial Literacy*) of NI 52-110.

7. Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year, has a recommendation of the Committee to nominate or compensate an external auditor not been adopted by the Corporation's board of directors.

8. Pre-Approval Policies and Procedures

The Committee has adopted specific policies regarding the engagement of the external auditor appointed by the shareholders of the Corporation (the "**Auditor**") consistent with the Committee's charter with a view to ensuring the Auditor's independence. These pre-approval policies relate to the engagement of audit services, audit-related services and non-audit-related services.

9. External Auditor Service Fees (by Category)

Set forth below are details of fees billed by the Corporation's external auditor in each of the last two financial years for audit services:

Financial Year Ended	Audit Fees	Audit-Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾
August 31, 2012	\$95,000	\$50,000	\$12,000	—
August 31, 2011	\$91,500	\$128,500 ⁽⁴⁾	\$11,000	—

(1) The aggregate fees billed in each of the last two financial years for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit Fees".

(2) The aggregate fees billed in each of the last two financial years for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning that are not included under the column "Audit Fees".

(3) The aggregate fees billed in each of the last two financial years for products and services provided by the Corporation's external auditor, other than the services reported under all other categories above.

(4) The audit-related fees also include services related to the conversion to International Financial Reporting Standards (IFRS).

SCHEDULE A

OPMEDIC GROUP INC. AUDIT COMMITTEE CHARTER

The Mandate of the Audit Committee is:

“To assist the Board in carrying out its responsibilities by monitoring the financial accountability, financial and business risks, and financial integrity of the Corporation.”

Establishment

A Committee of the Directors to be known as the Audit Committee was established on January 12, 2006.

Reporting

The Committee shall report to the Board as required but at least annually and shall bring recommendations to the full Board for approval.

Composition of Committee

The Committee shall consist of not less than three and not more than five Directors a majority of whom shall be independent Directors for the first year the Corporation is a reporting issuer. Thereafter, all members shall be independent. The Committee shall include at least one member with recognized financial expertise including, if applicable, such attributes as may be specified by regulatory authorities from time to time. All members must be financially literate.

Appointment of Committee Members

Members of the Committee shall be appointed annually at a meeting of the Board, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board.

Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

President

The Committee shall be chaired by a President (“**Committee President**”) appointed by a majority of the members of the Committee.

If the Committee President is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

The Committee President presiding at any meeting shall be a voting member and shall have a casting vote in the event of a tie.

Secretary

The Committee shall have a Secretary, who shall be appointed by a majority of the members of the Committee (the “**Committee Secretary**”).

Committee Meetings

The Committee shall meet as required but at least four times a year at the call of the Committee President.

In addition, a meeting may be called by the Committee Secretary on the direction of the Committee Chair, the President of the Corporation, the external auditor or any two members of the Committee.

Committee meetings may be held in person or by means of telephone or other electronic media suitable to the Committee.

Notice of Meeting

Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by other electronic means to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

A member may, in any manner, waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice.

Quorum

Fifty percent of the voting membership of the Committee present in person or by telephone or other electronic telecommunication device shall constitute a quorum.

Attendance at Meetings

The President of the Corporation would be expected to be available to attend meetings or portions thereof.

The external auditor would meet at least annually with the Committee and would be expected to be available to attend meetings or portions thereof as requested by the Committee.

The Committee may, by specific invitation, have other resource persons in attendance to assist in the discussion and consideration of matters relating to the Audit Committee.

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

Minutes

Minutes of Committee meetings shall be approved by the Committee President and maintained at Head Office by the Committee Secretary or designate. Minutes of Committee Meetings shall be sent to all Directors of the Board and shall be filed in the Minute Book.

Specific Responsibilities

The Audit Committee has:

- The responsibility for ensuring the effectiveness of the overall process for identifying principal business risks and the adequacy of the related disclosure.

- The primary oversight role with respect to identifying and monitoring the management of principal financial risks and ensuring that management has designed and implemented effective internal controls over financial reporting.
- The duty to pre-approve all non-audit services to be provided to the Corporation or any of its subsidiaries by the Corporation's external auditor.
- An audit committee must review the Corporation's financial statements, annual and interim MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
- Has responsibility for reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
- The authority to incur expenses for professional or consulting services for an amount not exceeding 33% of the auditing budget of the Corporation without the Board or management approvals.

Appointment and Compensation of External Auditor

The Audit Committee shall:

- Review management's recommendation for the appointment of the external auditor, and recommend the nomination of the external auditor to the Board of Directors.
- Review the terms of the external auditor's engagement prior to the annual audit as well as the appropriateness and reasonableness of the audit fees and recommend such payment to the Board.
- Review any engagements for non-audit services to be provided by the external auditor and consider the impact on the independence of the external auditor.
- Verify the independence of the external auditor.

External Audit Arrangements

The Audit Committee shall:

- Review the audit plan with the external auditor and with management.
- Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, key estimates and judgements of management that may be material to financial reporting and significant financial reporting issues discussed during the financial period and the method of resolution.
- Review with management and with the external auditor all critical accounting policies and practices used by the Corporation in preparing its financial statements.
- Review any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management.
- Review other material written communications that were provided to management by the external auditor including the post-audit or management letter, containing the recommendations of the

external auditor, and management's responses and subsequent follow-up to any identified weakness.

- Establish procedures for the receipt, retention and treatment of complaints received regarding accounting, external controls or auditing matters or the confidential or anonymous submission of concerns by employees regarding questionable accounting or auditing matters.
- Perform any other responsibilities set out in the external auditor's engagement letter as amended from time to time.

Financial Reporting

- Review audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods.
- Review the annual management's discussion and analysis and each management's discussion and analysis accompanying quarterly statements.
- Review press releases containing information relating to financial statements or other similar announcements prior to the public disclosure of any such information.
- Satisfy itself that adequate procedures are in place for the review of the disclosure of financial information derived from the financial statements or other disclosure and periodically assess the adequacy of those procedures.

SCHEDULE B

OPMEDIC GROUP INC. HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

The Human Resources and Compensation Committee (the “**Committee**”) is a committee of the Board of Directors which assists the Board of Directors in discharging its responsibilities relating to senior management hiring, compensation and succession planning. The Committee also determines the overall compensation and employee benefit policies of OPMEDIC Group Inc. (the “**Corporation**”).

Composition and Quorum

The Committee is comprised of three (3) directors, the majority of whom are independent directors, as determined by the Board of Directors. The President of the Committee as well as its members are appointed by the Corporation’s Board of Directors.

The quorum at any meeting of the Committee is two (2) members.

Responsibilities

The Committee has the following responsibilities:

With respect to senior management hiring, assessment, compensation and succession planning

- Considering applications for senior management positions reporting directly to the CEO of the Corporation (“**Senior Management**”) and those persons employed that are related to Senior Management.
- Taking appropriate measures so as to be kept informed of hirings and appointments of other management members of the Corporation.
- Receiving notification on the terms and conditions of Senior Management hiring, retirement or termination of employment and considering and approving the hiring, retiring or termination of employment of the CEO and the Chief Financial Officer.
- Reviewing and approving the annual compensation of the five highest paid member of Senior Management, members of management and managers under the Committee’s jurisdiction.
- Determining and recommending the grant of stock options under the Corporation’s Stock Option Plan and making all recommendations in connection with the said Plan.
- Annually reviewing and approving the objectives that the CEO is expected to attain, assessing him in light of those objectives. Reporting annually to the Board of Directors on the results of the assessment of the CEO.
- Periodically reviewing the organizational structure and ensuring the establishment of a succession plan for Senior Management.

With respect to compensation policies

- Ensuring that the Corporation has a competitive compensation structure so as to attract, motivate and retain the quality of personnel required to meet its business objectives.
- Assessing the overall compensation and employee benefit policies as well as bonus or incentive.

- Fostering harmonization among the compensation and employee benefit plans offered by the Corporation's divisions.

With respect to the compensation of directors and members of Board Committees

- Assessing the Chairman of the Board and approving his compensation.
- Reviewing annually the compensation of directors as well as the compensation of members of Board committees, and making recommendations to the Board of Directors as to the compensation amount and method.

Method of Operation

- The Committee meets as often it deems necessary for the performance of its mandate but not less than once a year.
- The Secretary acts as the Committee's Secretary.
- The Chairman of the Committee develops the agenda for each meeting of the Committee in consultation with Senior Management and the Human Resources Department. The agenda and the appropriate material for each meeting are provided to members of the Committee on a timely basis.
- The Chairman of the Committee reports to the Board of Directors about the Committee's proceedings and recommendations. The minutes of meetings of the Committee are submitted to the Board of Directors for information purposes.
- The Committee may, when circumstances dictate, retain the services of external advisors and fix their remuneration, provided the Committee advises the Chairman of the Board of Directors.
- The Committee annually reviews its mandate and reports to the Board of Directors on its adequacy.
- Each year, the Committee submits to the Board of Directors a certificate confirming that the Committee has properly fulfilled its mandate.
- The Committee is responsible for overseeing the adoption of practices related to the identification and management of risk related to compensation.

No provision of this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Committee.

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