



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND MANAGEMENT PROXY CIRCULAR

Annual Meeting – April 28, 2009

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF WARNEX INC.

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders of Warnex Inc. (the "Corporation") will be held at the Hotel Sheraton, 2440 Autoroute des Laurentides, Laval, Quebec, "Salon Auteuil-Vimont" at the hour of 11:00 a.m., Montreal time, on Tuesday, April 28, 2009, for the following purposes:

1. To receive the report of management and the consolidated financial statements of the Corporation for the year ended December 31, 2008, together with the auditors' report thereon;
2. To elect the Directors of the Corporation for the ensuing year;
3. To appoint the auditors for the ensuing year and to authorize the Directors to fix their remuneration; and
4. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

The enclosed Management Proxy Circular should be consulted for further details on the matters to be acted upon. A copy of a Form of Proxy for the meeting is attached with this Notice.

DATED at Laval, Quebec this 10th day of March, 2009.

BY ORDER OF THE BOARD OF DIRECTORS



Mark Busgang
President and CEO

IMPORTANT

Only holders of common shares of the Corporation of record at the close of business on March 16, 2009, are entitled to receive a notice of the Meeting and only those holders of the common shares of the Corporation of record at the close of business on March 16, 2009, or who subsequently become shareholders and comply with the provisions of the *Canada Business Corporations Act* are entitled to vote at the Meeting. If you are unable to attend in person, kindly fill in, sign and return the enclosed proxy in the envelope provided for that purpose.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 7th Floor, 1500 University Street, Montreal, Quebec, H3A 3S8, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or adjournment of the meeting.

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MANAGEMENT PROXY CIRCULAR**A. VOTING INFORMATION****PURPOSE OF SOLICITATION**

THIS MANAGEMENT PROXY CIRCULAR (THE "INFORMATION CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF WARNEX INC. (THE "CORPORATION") FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE HOTEL SHERATON, 2440 AUTOROUTE DES LAURENTIDES, LAVAL, QUEBEC, "SALON AUTEUIL-VIMONT", ON TUESDAY, APRIL 28, 2009, AT THE HOUR OF 11:00 O'CLOCK A.M., MONTREAL TIME, AND AT ANY ADJOURNMENTS THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited by the Management of the Corporation by telephone, fax or personal interviews. The cost of any such solicitation will be borne by the Corporation.

VOTING OF PROXIES

All Common Shares represented at the meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, THE CORPORATION IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS, WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THEN THE MANAGEMENT DESIGNEES INTEND TO VOTE IN ACCORDANCE WITH THE JUDGEMENT OF THE MANAGEMENT OF THE CORPORATION.

Proxies, to be valid, must be deposited at the offices of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 7th Floor, 1500 University Street, Montreal, Quebec, H3A 3S8, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or an adjournment of the meeting.

APPOINTMENT OF PROXY

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) OTHER THAN MARK BUSGANG AND RICHARD LAFERRIÈRE, THE MANAGEMENT DESIGNEES, TO ATTEND AND ACT FOR HIM AT THE MEETING. Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy at the offices of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 7th Floor, 1500 University Street, Montreal, Quebec, H3A 3S8, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or an adjournment of the meeting.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A shareholder may revoke a proxy by depositing an instrument in writing, executed by him or his attorney authorized in writing:

- (1) at the offices of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 7th Floor, 1500 University Street, Montreal, Quebec, H3A 3S8, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or adjournment of the meeting at which the proxy is to be used; or
- (2) at the registered office of the Corporation, 3885 Industriel Blvd, Laval, Quebec, H7L 4S3, to the attention of the Corporate Secretary at any time up to and including the last business day preceding the day of the meeting at which the proxy is to be used; or
- (3) with the Chairman of the meeting on the day of the meeting or an adjournment of the meeting.

In addition, a proxy may be revoked by the shareholder executing another form of proxy bearing a later date and depositing same at the offices of the registrar and transfer agent of the Corporation within the time period set out under the heading "VOTING OF PROXIES", or by the shareholder personally attending the meeting and voting his shares.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold Common Shares of the Corporation (the "Common Shares") in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares are likely to be registered under the name of the shareholder's broker or an agent of that broker. Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to the intermediary well in advance of the Meeting in order to have the Common Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend the Meeting as proxy holder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, without nominal or par value, of which 64,397,191 Common Shares were issued and outstanding as of March 10, 2009, and entitled to vote at the meeting on the basis of one vote for each Common Share held.

The holders of Common Shares of record at the close of business on the record date, set by the Directors of the Corporation to be March 16, 2009, are entitled to vote such Common Shares at the meeting, except to the extent that:

- (1) such person transfers his shares after the record date; and
- (2) the transferee of those shares produces properly endorsed share certificates or otherwise establishes his ownership to the shares;

and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the meeting, that his name be included on the shareholders' list.

The by-laws of the Corporation provide that two (2) persons present and representing in person or by proxy not less than 10% of the issued shares entitled to vote at the meeting constitute a quorum for the meeting.

To the knowledge of the Directors and officers of the Corporation, the only persons who beneficially own, directly or indirectly, or controls or directs, Common Shares carrying more than 10% of the voting rights of the outstanding Common Shares of the Corporation are the following:

PRINCIPAL HOLDERS OF SHARES

Name	Number of Common Shares	Percentage of Outstanding Common Shares
SGF Soquia Inc. ⁽¹⁾	15,958,094	24.8%
Note : (1) Pursuant to a shareholder agreement entered into with Busgang Investments Inc. (formerly Samaloy Holding Inc.), a company controlled by Mark Busgang, President and Chief Executive Officer of the Corporation, and SGF Soquia Inc., the herein above-mentioned shareholders have agreed (i) to exercise their voting rights with respect to the Common Shares of the Corporation in a way that the Board of Directors of the Corporation be composed of a maximum of twelve Directors; (ii) not to vote against the nomination of the designated representative of Busgang Investments Inc. to represent it at the Board of Directors of the Corporation as long as Busgang Investments Inc. holds a minimum of 5% of the total outstanding Common Shares; and (iii) to vote in favour of the nomination of two designated representatives of SGF Soquia Inc. to represent it at the Board of Directors of the Corporation as long as SGF Soquia Inc. holds a minimum of 5% of the total outstanding Common Shares or as long as it will be a creditor of the Corporation.		

B. BUSINESS OF THE ANNUAL MEETING

To the knowledge of the Corporation's Directors, the only matters to be placed before the meeting are those matters set forth in the accompanying notice of meeting relating to the receipt of the management report and the financial statements, the election of the Directors and the appointment of the auditors.

ELECTION OF DIRECTORS

The Articles of the Corporation stipulate that the Board of Directors shall consist of a minimum of three Directors and a maximum of fifteen Directors. Management proposes that the nine members of the Board of Directors presented in this Management Proxy Circular be elected to hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed pursuant to the by-laws of the Corporation. Please refer to Section C Board of Directors for each nominee's biography.

It is the intention of the management designees, if named as proxy, to vote for the election of said persons to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as Directors. However, if, for any reason, any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee at their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of Directors.

APPOINTMENT OF AUDITORS

The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy for the appointment of Nexia Friedman, chartered accountants, as auditors of the Corporation at a remuneration to be fixed by the Board of Directors unless the Shareholder has specified in his proxy that his shares are to be withheld from voting in the election of auditors. Nexia Friedman, Chartered Accountants have been the auditors of the Corporation since May 19, 1998. The auditors will hold office until the next Annual Meeting of Shareholders or until their successors are appointed.




SHAREHOLDER PROPOSALS




Shareholders who wish to submit a proposal for consideration at the next meeting to be held in 2010 must do so by submitting them to the attention of the Secretary of the Corporation on or before December 11, 2009, in the manner and subject to the limitations prescribed by the Canada Business Corporation Act.



C. BOARD OF DIRECTORS

BIOGRAPHIES

The following table sets forth, for each person nominated by management for election as a Director, his or her name, province or state and country of residence, the year in which he or she first became a Director, his or her principal occupation for the last five years, his or her Committee memberships, the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction was exercised and the number of stock options in the Corporation held, all as at March 10, 2009.

 <p>Richard Laferrière, 54 Quebec, Canada Shares: 750,000⁽¹⁾ Options: 80,233</p>	<p>Mr. Laferrière has been Executive Chairman of Extenway Solutions Inc. since May 2008 and Chairman of the Board of FRV Media Inc. since May 2008. From 2000 to 2008, Mr. Laferrière was President and Chief Executive Officer as well as Director of FRV Media Inc. He was also a shareholder and member of the Board of “HR Strategie”, a private equity firm, from 2000 to 2006. He was co-founder and President of Groupe Coscient from 1978 to 1999. In 2007, Mr. Laferrière joined the Board of Directors of Fronsac Capital Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Chairman of the Board of Directors since 1996 • Member of the Corporate Governance Committee (Chair) • Independent director
 <p>Mark Busgang, 53 Quebec, Canada Shares: 5,499,400⁽²⁾</p>	<p>Mr. Busgang has served on the Corporation’s Board and has been President and Chief Executive Officer of the Corporation since February 1998. From 1993 to 1996, he was President of Pharmetics Ltd. and Vice President of Operations of Theratechnologies Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 1998 • Related director due to his position as President and CEO of the Corporation
 <p>Louis Lacasse, 52 Quebec, Canada Shares: 45,000 Options: 63,833</p>	<p>Mr. Lacasse has been President of GeneChem Management Inc. since 1997 and Managing Partner of AgeChem Financial Inc. since 2006. Mr. Lacasse is currently on the boards of directors of Methylgene Inc. and Calyx Bioventures. He has previously served on the boards of directors of many private and public companies including BioChem Pharma Inc., Axcan Pharma Inc., Targeted Genetics Inc., and Idun Pharmaceuticals Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 1998 • Member of the Audit Committee (Chair) • Independent director

 <p>Hubert Marleau, 65 Quebec, Canada Options: 63,833</p>	<p>Mr. Marleau has been President of Palos Capital Corporation since May 1998. Mr. Marleau is currently a Director of the following publicly traded companies: Artevo Corporation, Buzz Telecommunication Services Inc., CanAlaska Uranium Ltd. (formerly CanAlaska Ventures Ltd.), Freegold Ventures Limited, Global Development Resources, Inc., GobiMin Inc., Huntington Exploration Inc., Maudore Minerals Ltd., MCO Capital Inc., Mitec Telecom Inc., Niocan Inc., Sofame Inc. and Uni-Select Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 2000 • Member of the Audit Committee • Independent director
 <p>Dr. Jacques Gagné, 66 Quebec, Canada Shares: 42,000 Options: 61,333</p>	<p>Dr. Gagné is a former Professor (1972 to 2002) and Dean (1982 to 1990) of Pharmacy at Université de Montréal. Since April 2001, Dr. Gagné serves as a consultant to several companies in the biotechnology and healthcare fields. Among others, he is Chairman of the Québec Biotechnology Innovation Center (QBIC) and President of the “Fond d’assurance responsabilité de l’Ordre des pharmaciens du Québec”.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 2001 • Member of the Human Resources and Remuneration Committee (Chair) • Member of the Corporate Governance Committee • Independent director
 <p>Eric Veilleux, 38 Quebec, Canada</p>	<p>Mr. Veilleux is Senior Director, Investment Support, for the Société générale de financement du Québec (“SGF”). Mr. Veilleux has many years of experience in the world of accounting and finance. Prior to joining the SGF, he was an advisor for Raymond Chabot Grant Thornton, from 1998 to 2001, and a director at KPMG from 1992 to 1998.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since September 2006 • Member of the Audit Committee • Member of the Human Resources and Remuneration Committee • Independent director
 <p>Mattie Chinks, 59 Quebec, Canada Shares: 260,000 Options: 33,333</p>	<p>Mr. Chinks is President of Avmor Ltd., a company which manufactures institutional cleaning and maintenance chemical products, since 1996. Mr. Chinks has previously served as President and International Director of the International Sanitary Supply Association and currently sits on the Board of Directors of The Royal Victoria Hospital Foundation and Cannon Hygiene Canada.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since April 2008 • Member of the Human Resources and Remuneration Committee • Independent director

 <p>Gilles Gagnon, 55 Quebec, Canada Options: 33,333</p>	<p>Mr. Gagnon serves as a consultant to several companies in the biopharmaceutical and healthcare fields. Mr. Gagnon spent 25 years in the management of healthcare related organizations in both hospital administration (8 years) and in the pharmaceutical industry (17 years). Between 1999 and 2007, Mr. Gagnon worked at Aeterna Zentaris, a biopharmaceutical company focused on oncology and endocrinology, where he held the positions of Vice-President, Business Development (1999-2001), President and Chief Operating Officer (2001-2003) and President and Chief Executive Officer (2003-2007). Mr. Gagnon is also Acting President and Director of Ceapro Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since April 2008 • Member of the Audit Committee • Independent director
 <p>Michel Lassonde, 67 Quebec, Canada Shares: 962,667⁽³⁾</p>	<p>Mr. Lassonde has been a consultant and director of various companies since March 2008. Mr. Lassonde has also been President, CEO and Director of Fronsac Capital Inc. since August 2008. From September 1991 to March 2008, he was a Court of Québec judge. Previously, Mr. Lassonde practiced law for over 25 years. He has a master's degree in international law from New York University.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • New candidate for election as director • If elected, would be considered an independent director
<p>(1) These Common Shares are owned by Gestion Catriaalex Inc., a private company controlled by Richard Laferrière. (2) Of these Common Shares, 5,321,928 Common Shares are owned by Busgang Investments Inc., a company controlled by Mark Busgang, and 177,472 Common Shares are owned by Mark Busgang. (3) Of these Common Shares, 735,000 Common Shares are owned by Michel Lassonde and 227,667 Common Shares are owned by Sofinat Ltd., a company controlled by Michel Lassonde.</p>	

The information as to the number of Common Shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been provided by each nominee.

Information relative to orders, bankruptcies, penalties or sanctions involving the proposed Directors may be found in the Corporation's Annual Information Form for the year ended December 31, 2008, which may be consulted on SEDAR at www.sedar.com. or on the Corporation's Website at www.warnex.ca, and which may be obtained free of charge upon request to the Corporation's Corporate Secretary.

D. DISCLOSURE OF COMPENSATION AND OTHER INFORMATION

COMPENSATION OF DIRECTORS

In fiscal 2008, all directors other than the Corporation's CEO were independent and were remunerated by the Corporation in their capacity as directors. Mark Busgang, President and CEO of the Corporation, received no remuneration as director. The compensation earned by Eric Veilleux, a nominee of SGF, was paid to SGF directly.

The compensation for the independent directors other than the Chairman of the Board is a combination of meeting fees and stock options. The meeting fees are further described in the chart below.

SUMMARY COMPENSATION TABLE – INDEPENDENT DIRECTORS (OTHER THAN THE CHAIRMAN)

Detail	Compensation
Fee for Board of Directors meeting attended	\$1,000
Fee for Board of Directors meeting attended by way of conference call	\$250
Fee for Board of Directors Committee meeting attended	\$1,000
Additional Fee for Committee Chairs (per meeting attended)	\$500

The Chairman of the Board is paid an annual retainer of \$24,000.

In accordance with the Corporation's present policy, each independent Director of the Corporation receives a certain number of stock options valued at \$5,000 annually upon his nomination or re-election to the Board of Directors. The price of each option is determined by the greater of \$0.15 or the closing trading price of the Corporation's common shares on the last trading day prior to the grant. Eric Veilleux, the nominee of the SGF on the Corporation's Board of Directors, has not received any options.

The total remuneration paid to independent directors during the fiscal year ended December 31, 2008, is set out in the following table:

REMUNERATION PAID TO INDEPENDENT DIRECTORS

Name	Fees earned (\$)	Option-based awards (\$)	All other compensation (\$)	Total (\$)
Richard Laferrière	24,000	5,000 ⁽³⁾	5,000 ⁽⁴⁾	34,000
Louis Lacasse	13,250	5,000 ⁽³⁾	nil	18,250
Hubert Marleau	6,000	5,000 ⁽³⁾	nil	11,000
Jacques Gagné	12,750	5,000 ⁽³⁾	nil	17,750
Eric Veilleux	14,000	nil	nil	14,000
Mattie Chinks ⁽¹⁾	6,000	5,000 ⁽³⁾	nil	11,000
Gilles Gagnon ⁽¹⁾	9,000	5,000 ⁽³⁾	nil	14,000
Terrence Mailloux ⁽²⁾	4,250	nil	nil	4,250
Warren Haber ⁽²⁾	1,000	nil	nil	1,000
Diane Lanctôt ⁽²⁾	1,000	nil	nil	1,000
Marc Lussier ⁽²⁾	4,000	nil	nil	4,000

(1) Mr. Chinks and Mr. Gagnon joined the Corporation's Board of Directors on April 29, 2008.

(2) Mr. Mailloux, Mr. Haber, Ms. Lanctôt and Mr. Lussier were directors of the Corporation until April 29, 2008.

(3) The value of the option-based awards is based on a value of \$0.15 per option, considering the Corporation's policy whereby options are issued in such an amount as to total a value of \$5,000, based on an exercise price which is the higher of \$0.15 and the actual trading price of the common shares of the Corporation on the TSX on the last trading date preceding the grant of the options.

(4) Mr. Laferrière received \$5,000 for consulting services provided to the Corporation, as further described in Section E "Interest of Insiders in Material Transactions" of this Management Proxy Circular.

(5) The directors do not receive pension benefits, share-based awards, perquisites or other annual compensation.

The following table provides information on the number and value of each independent director's outstanding options at the end of the fiscal year.

OUTSTANDING DIRECTOR OPTION-BASED AWARDS

Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Richard Laferrrière				
- 2008 award	33,333	0.15	29/04/2018	0
- 2006 award	7,000	0.95	04/25/2016	0
- 2005 award	18,900	1.27	08/09/2015	0
- 2005 award	7,000	1.31	04/25/2015	0
- 2004 award	7,000	1.15	08/09/2014	0
- 2003 award	7,000	0.85	06/03/2013	0
Louis Lacasse				
- 2008 award	33,333	0.15	29/04/2018	0
- 2006 award	7,000	0.95	25/04/2016	0
- 2005 award	7,000	1.31	25/04/2015	0
- 2004 award	7,000	1.15	09/08/2014	0
- 2003 award	7,000	0.85	06/03/2013	0
- 2003 award	2,500	0.86	04/03/2013	0
Hubert Marleau				
- 2008 award	33,333	0.15	29/04/2018	0
- 2006 award	7,000	0.95	25/04/2016	0
- 2005 award	7,000	1.31	25/04/2015	0
- 2004 award	7,000	1.15	09/08/2014	0
- 2003 award	7,000	0.85	06/03/2013	0
- 2003 award	2,500	0.86	04/03/2013	0
Jacques Gagné				
- 2008 award	33,333	0.15	29/04/2018	0
- 2006 award	7,000	0.95	25/04/2016	0
- 2005 award	7,000	1.31	25/04/2015	0
- 2004 award	7,000	1.15	09/08/2014	0
- 2003 award	7,000	0.85	06/03/2013	0
Mattie Chinks				
- 2008 award	33,333	0.15	04/29/2018	0
Gilles Gagnon				
- 2008 award	33,333	0.15	04/29/2018	0

(1) Calculation is based on the trading price of the Corporation's shares on the Toronto Stock Exchange of \$0.05 on December 31, 2008.

COMPENSATION OF EXECUTIVE OFFICERS

This disclosure is intended to communicate the compensation provided to the Corporation's Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the three other most highly compensated executive officers of the Corporation (collectively, the "Named Executive Officers"). For 2008, these executives include: President, Warnex Bioanalytical Services, Vice-President and General Manager, Warnex Medical Laboratories, and Vice-President, Operations, Warnex Analytical Services.

Compensation of executive officers of the Corporation is recommended to the Board of Directors by the Human Resources and Remuneration Committee (the "HRRC"). In its review process, the HRRC relies on input from management on the assessment of executives and Company performance relative to plan. During the most recently completed fiscal year, the HRRC was composed of three directors, all of whom were independent directors, namely Dr. Jacques Gagné (chair), Mr. Éric Veilleux and Mr. Terrence Mailloux (until April 29, 2008) and Mr. Mattie Chinks (since April 29, 2008). The HRRC establishes management

compensation policies and oversees their general implementation. In addition, the HRRC monitors management succession planning and conducts periodic reviews of the overall condition and quality of the Corporation's human resources.

COMPENSATION DISCUSSION AND ANALYSIS

The Corporation's executive compensation program is intended to attract, motivate and retain high performing senior executives, encourage and reward superior performance and align the executives' interests with those of the Corporation by:

- Providing a compensation which is competitive with the compensation received by executives employed by comparable companies;
- Ensuring that the achievement of annual objectives is rewarded through the payment of bonuses; and
- Providing executives with long-term incentive through the grant of stock options.

Benchmarking Practices

The HRRC recognizes that the nature of the Corporation's business is highly competitive and that the ability to attract and retain dedicated and talented individuals with highly specialized skills and qualifications is critical to the Corporation's success. The salaries of executive officers have been established based on national surveys of the industry provided by independent consultants. For instance, the HRRC was provided with a survey performed by AON entitled "2006 Biotechnology Compensation Trends (Canada & USA)", which amongst other elements presents the average compensation of CEOs and CFOs in a group of 50 companies in the biotechnology industry, in Canada and in the United States, as well as a report prepared by Groupe Conseil SD specifically for the Corporation in March 2006, which provided an analysis of each of the Corporation's executive officer's remuneration as well as recommendations. These reports did not however list the comparable companies used to benchmark the compensation of executive officers.

Compensation Elements

Remuneration of executive officers is revised each year and has been structured to encourage and reward the executive officers on the bases of short-term and long-term corporate performance. In the context of the analysis of the remuneration, the four following components are examined:

- (i) base salary;
- (ii) annual incentive plan, consisting of a cash bonus;
- (iii) grant of stock options of the Corporation; and
- (iv) other elements of compensation, consisting of benefits, perquisites and contribution to group RRSP.

Base Salary

Salaries of the executive officers are established based on a comparison with competitive market positions. In analyzing individual base salaries, the HRRC takes into consideration individual circumstances that may include the scope of an executive's position, the executive's relevant competencies and the executive's experience. The HRRC also takes into consideration the individual performance of the executive as well as the financial performance of the Corporation.

Annual Incentive Plan

The Corporation has a bonus plan for the executive officers which is based on a percentage of their base salary. For the year 2008, the three operational executive officers, being Dr. Mancini, Dr. Côté and Mr. Yelle, had objectives based on attaining pre-established financial goals (revenue and EBITDA) for their respective division. These operational executive officers were eligible to receive a bonus payment in the event they attained at least 95% of their budgeted revenues or EBITDA, as further described in the following table.

OPERATIONAL OFFICERS BONUS PROGRAM

Attainment of objectives (%)	Budgeted revenues	Budgeted EBITDA
95-99	10% of base salary	10% of base salary
100	17.5% of base salary	17.5% of base salary
Each incremental dollar	1.75% of incremental revenue \$	1.75% of incremental EBITDA \$

Based on the achievement of budgeted revenues and EBITDA for 2008, the operational officers were awarded the bonuses set out in the following table.

OPERATIONAL OFFICERS BONUS AWARD

Name	Attainment of budgeted revenues (%)	Attainment of budgeted EBITDA (%)	Actual payout as a percentage of salary (%)	Actual award (\$)
Yvan Côté	100.0	108.7	36.4	63,665
Michael Mancini	106.0	153.6	59.3	172,655
Erik Yelle	81.3	47.8	nil	nil

The CFOs' bonuses are discretionary and are based amongst other criteria on the Corporation's overall performance. Mr. Pellerin left the Corporation's employment on March 30, 2008, and received no bonus for the year 2008. Mr. Jetté received a bonus of \$23,800 equivalent to 20% of his base salary. His performance was reviewed by the CEO and the HRRC.

The CEO's bonus entitlement for 2008 was a maximum of 40% of his base salary, based on the attainment of objectives pre-established by the HRRC. The following table sets out these objectives as pre-established by the HRRC.

CEO OBJECTIVES FOR 2008

Percentage of Maximum Bonus Achievable (%)	Objective	Elements
70	Financial	<ul style="list-style-type: none"> • Meet or exceed budgeted goals for revenues, EBITDA • Complete restructuring of the balance sheet • Achieve net profit
25	Management and Operations	<ul style="list-style-type: none"> • Manage direct reports to their stated objectives • Participate in the evaluation of the new ERP system • Ensure ongoing compliance with best practices of corporate governance • Develop long-term compensation plan • Ensure that strategic planning becomes part of daily activities • Assist in business development activities • Develop and monitor KPI's • Implement continuous process improvement program • Insure the optimal utilization of our assets • Evaluate legal requirements and engage outside counsel as required to minimize risk • Support the new CFO
5	Miscellaneous	<ul style="list-style-type: none"> • Continue internal communications plan • Continue to promote mission, vision and values • Perform external investor relations meetings

The HRRC evaluated the above-mentioned objectives and recommended to the Board of Directors a bonus in the amount of \$96,350 for the year 2008, being 100% of the maximum bonus Mr. Busgang was entitled to receive. In November 2008, the HRRC also recommended Mr. Busgang be awarded a special one-time bonus in the amount of \$30,000 in light of the considerable amount of work performed by Mr. Busgang in 2007 in the restructuring of the Corporation.

Stock Options

The grant of stock options to the Corporation's executives is aimed at recognizing and rewarding the impact of longer-term strategic actions undertaken by management, offering an added incentive for the retention of the Corporation's executives as well as aligning the interests of the Corporation's executives with that of its shareholders.

For a more detailed description of the Corporation's Stock Option Plan, please refer to Page 14 of this Management Proxy Circular.

The Corporation's Human Resources and Remuneration Committee is responsible for overseeing and managing the Corporation's Stock Option Plan. Grants of options to executives are approved by the Corporation's Board of Directors. The Corporation's current policy on the award of stock options to executive officers is that they are entitled to receive a one-time grant of 75,000 stock options upon their hiring. The Corporation's Board of Directors is currently reviewing changes to this policy in order to make the grant of options a performance-based award.

OUTSTANDING OPTION-BASED AWARDS

The following table sets out all awards of stock options outstanding to each Named Executive Officer as at December 31, 2008.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Erik Yelle	75,000	1.10	01/03/2016	0
Yvan Côté				0
- 2005 grant	30,000	1.31	04/25/2015	0
- 2003 grant	45,000	0.84	09/03/2013	0
François Jetté	20,000	1.08	12/12/2015	0
(1) Calculation is based on the trading price of the Corporation's shares on the Toronto Stock Exchange of \$0.05 on December 31, 2008.				

The following table sets out the value of stock options vested or earned by the Named Executive Officers as at December 31, 2008.

OPTIONS VESTED AND EARNED

Name	Option-based awards – Value vested during the year (\$)	Option-based awards – Value earned during the year (\$)
Erik Yelle	0	0
Yvan Côté	0	0
François Jetté	0	0
(1) Calculation is based on the trading price of the Corporation's shares on the Toronto Stock Exchange of \$0.05 on December 31, 2008.		

Other Forms of Compensation

The Corporation's executive employee benefit program includes life, medical, dental and disability insurance. Perquisites consist of a car allowance, health assessments and club memberships. These benefits and perquisites are designed to be competitive overall with equivalent positions in comparable organizations.

Under the Corporation's retirement savings program, all salaried employees including the Named Executive Officers of the Corporation receive a contribution in their Registered Retirement Savings Plan ("RRSP") equal to 1% of their base annual salary, with no matching required.

SUMMARY COMPENSATION TABLE

The following Summary Compensation Table sets forth the compensation information for the Named Executive Officers for services rendered during the year ended December 31, 2008.

For compensation related to previous years, please refer to the Corporation's Management Proxy Circular available at www.sedar.com.

SUMMARY COMPENSATION TABLE – NAMED EXECUTIVE OFFICERS

Name and Principal Position	Year	Salary (\$)	Option-based awards (\$)	Annual incentive plans (\$)	All other compensation (\$)	Total compensation (\$)
Mark Busgang President and Chief Executive Officer	2008	233,156	0	96,350	60,332 ⁽⁴⁾	359,838
Yvan Côté Vice President and General Manager, Warnex Medical Laboratories	2008	171,306	0	63,700	⁽⁵⁾	235,006
Michael Mancini President, Warnex Bioanalytical Services	2008	205,000	0	172,655	⁽⁵⁾	377,655
Erik Yelle Vice President, Operations, Warnex Analytical Services	2008	180,000	0	0	⁽⁵⁾	180,000
François Jetté Chief Financial Officer ⁽¹⁾	2008	115,203	0	23,800	⁽⁵⁾	139,003
Denis Pellerin Vice President and Chief Financial Officer ⁽²⁾	2008	68,837	0	0	295,195 ⁽³⁾	364,032
<p>(1) Mr. Jetté became CFO on April 1, 2008. Prior to this, he was Corporate Controller for the Corporation.</p> <p>(2) Mr. Pellerin left the Corporation's employment on March 31, 2008.</p> <p>(3) This amount represents the compensation received by Mr. Pellerin pursuant to the termination of his employment as part of a restructuring. This amount represents the equivalent of 15 months salary and benefits as per Mr. Pellerin's employment agreement.</p> <p>(4) This amount represents perquisites and other personal benefits which in the aggregate amount to \$50,000 or more, or are equivalent to 10% or more of Mr. Busgang's total salary for the 2008 fiscal year. This amount includes \$12,000 in car allowance, \$15,000 in club memberships as well as a special one-time bonus awarded in November 2008 in the amount of \$30,000 in light of the considerable amount of work performed by Mr. Busgang in 2007 in the restructuring of the Corporation.</p> <p>(5) The value of perquisites and other personal benefits received by these executives did not total in the aggregate \$50,000 or more, or represent 10% or more of their total salary for the 2008 fiscal year.</p>						

STOCK OPTION PLAN

The Corporation has adopted the 2003 Stock Option Plan (the "Stock Option Plan") for the Directors, officers, employees and consultants of the Corporation and its subsidiaries, as designated by the Board of Directors of the Corporation or the Human Resources and Remuneration Committee, pursuant to which options to purchase an aggregate of 4,319,273 common shares, which represent, on March 10, 2009, 6.7% of all issued and outstanding common shares, may be granted.

The number of Common Shares covered by any stock option, the exercise price, expiry date and vesting period of such stock option and any other matter pertaining thereto are determined by the Board of Directors of the Corporation or the Human Resources and Remuneration Committee. Options granted are non-assignable except if the assignment is approved by the Human Resources and Remuneration Committee or the Board of Directors, the assignee is an "Authorized Assignee" under the terms of the Plan, no compensation is made during the course of the assignment and the assignment conforms to the applicable policies of the Stock Exchange. No single person may be granted options covering more than 5% of the

Corporation's issued and outstanding Common Shares. Options are fully exercisable by the optionee's legal representative, in the case of death or physical or mental disability of the optionee within a period of one year thereafter. Otherwise, options will lapse upon termination of employment or the end of the business relationship with the Corporation except that they may be exercised for 90 days after termination or the end of the business relationship, to the extent that they will have vested on such date.

No option may be allotted for a period exceeding 10 years and the exercise price of each stock option is equal to the market price of the share at the close of business of the exchange on the date immediately preceding the grant. Unless the Board of Directors or the Human Resources and Remuneration Committee decides otherwise, each option granted pursuant to the Plan will vest in three annual and equal tranches from the date of its grant and at each of the two subsequent anniversaries. Notwithstanding the foregoing, if the Corporation is sold, all the options that are not vested at the time of the sale will become vested and may be exercised by the optionees. The Plan also provides for the adjustment of the number and price of the stock options in the case of reorganization, merger, subdivision and consolidation of the shares and in other situations defined in the Plan. In some of these situations, the approval of the Toronto Stock Exchange and/or the shareholders of the Corporation may have to be obtained. The Board of Directors of the Corporation has the right to amend the Plan, subject to amendments which require the approval of the Toronto Stock Exchange or of the shareholders of the Corporation in accordance with the applicable rules and regulations.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation is party to an employment agreement with Mark Busgang, Michael Mancini, Yvan Côté and Erik Yelle, and was party to an employment agreement with Denis Pellerin, whose employment terminated on March 31, 2008.

Mr. Busgang's employment agreement provides that in the event the employee is terminated without cause, the Corporation must pay to the employee a compensation in lieu of notice equivalent to the total cash compensation received by the employee during the fifteen months preceding the termination (including base salary, bonus, discretionary expense account, car allowance and other benefits including the group insurance plan, retirement saving plan, membership fees) as well as the bonus for the fiscal year during which the termination occurs, prorated based on the number of months worked during the said fiscal year. In addition, it provides that he be entitled to receive 24 months of salary in the event of a change of control of the Corporation.

Dr. Mancini, Dr. Côté and Mr. Yelle's employment agreements provide that in the event the employee is terminated without cause, the Corporation must pay to the employee a compensation in lieu of notice equivalent to twelve months of salary (including base salary, bonus, discretionary expense account, car allowance and other benefits including the group insurance plan, retirement saving plan, membership fees) as well as the bonus for the fiscal year during which the termination occurs, prorated based on the number of months worked during the said fiscal year.

The following table shows estimated incremental payments triggered pursuant to a change of control of the Corporation in accordance with the change of control provisions described above.

Position	Incumbent	Termination Provisions Value (1)(2)(3) (\$)	Change of Control Provisions Value (1)(2)(3) (\$)
President and CEO	Mark Busgang	522,381 ⁽⁴⁾	837,010 ⁽⁴⁾
Vice-President and General Manager, Warnex Medical Laboratories	Yvan Côté	297,080	-
President, Warnex Bioanalytical Services	Michael Mancini	449,900	-
Vice-President, Operations, Warnex Analytical Services	Erik Yelle	196,800	-

(1) The values assume that the triggering event took place on the last business day of the Corporation's fiscal year-end (December 31, 2008).

(2) Should the termination have occurred on December 31, 2008, no option-based awards would have been payable.

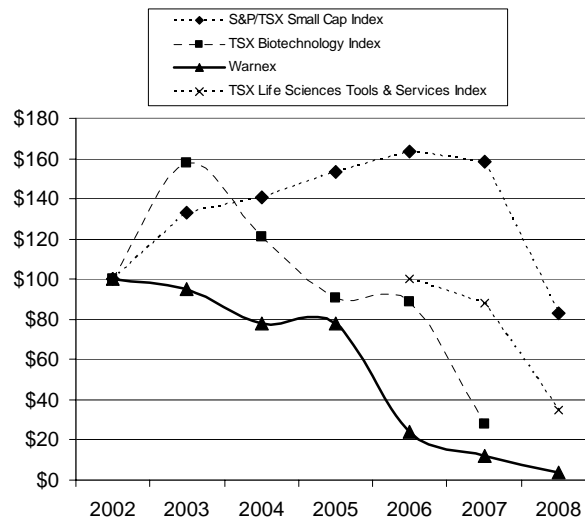
(3) Value of earned/unused vacation and owed expense are not included as they are not considered as "incremental" payments further to termination.

(4) In the event of a termination due to a change of control, Mr. Busgang is entitled to receive the equivalent of 24 months salary in lieu of (and not in addition to) the 15-month notice which applies for other cases of termination without cause.

Mr. Pellerin's employment terminated on March 31, 2008. Mr. Pellerin was entitled to receive a compensation in lieu of notice equivalent to the total cash compensation received by the employee during the fifteen months preceding the termination (including base salary, bonus, discretionary expense account, car allowance and other benefits including the group insurance plan, retirement saving plan, membership fees) as well as any bonus for the fiscal year during which the termination occurs, prorated based on the number of months worked during the said fiscal year. Further details on the compensation received by Mr. Pellerin is set forth in the table entitled "Summary Compensation Table – Named Executive Officers" of this Management Proxy Circular.

PERFORMANCE GRAPH

The following graph compares the cumulative total shareholder return for a \$100 investment in Common Shares of the Corporation made on December 31, 2002, on Canadian Exchanges (TSX Venture Exchange until February 2003 and Toronto Stock Exchange from that date) and the cumulative total return of the S&P/TSX Small Cap index, the TSX Biotechnology index (available until 2007) and the TSX Life Sciences Tools and Services index (available since 2006).



The Corporation's trend in executive compensation increased in 2008 in concert with the improved financial performance of the Corporation, the fact it has met or surpassed its financial objectives in two out of its three operational divisions and the successful restructuring of its balance sheet. The Corporation's improved performance in 2008 was not reflected in the value of its share price, which has declined over this period.

E. OTHER INFORMATION

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Board of Directors and the management of the Corporation believe that good corporate governance is an important factor in the Corporation's overall success and in enhancing shareholder value. The following disclosure sets out the Corporation's corporate governance practices.

Mandate, Structure and Composition of the Corporation's Board of Directors

The Corporation's Board of Directors currently consists of eight (8) members. All of these members are proposed for re-election as directors for the ensuing year and in addition, one (1) new candidate is proposed for election as director.

Corporate Governance Manual

The Board of Directors has adopted a Corporate Governance Manual, which includes the mandate of the Board of Directors and of each of its committees, position descriptions for the Chairman of the Board of Directors, for the President and Chief Executive Officer of the Corporation and for each of the Committee Chairs, as well as the Corporation's Code of Ethics, its Communications Policy, and its Procedures for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing and Other Matters. The mandate of the Board of Directors is reproduced as Schedule B of the Corporation's *2008 Annual Information Form*, which may be consulted on SEDAR at www.sedar.com.

Director Independence

The Corporation considers that 7 out of its 8 directors are independent as defined in Multilateral Instrument 52-110. The Board of Directors has determined that the directors identified as being independent in this Management Proxy Circular do not have a direct or indirect relationship with the Corporation that could reasonably interfere with the Directors' ability to exercise their independent judgment, and that they are therefore independent under the applicable guidelines and rules. Mark Busgang is considered as a related director due to his position as President and CEO of the Corporation.

The Board of Directors holds meetings regularly without the presence of members of management and of Mark Busgang, President, CEO and Director, following the Corporation's scheduled Board meetings. In 2008, the Board of Directors met on six occasions without members of management and Mr. Busgang's presence.

The mandate of the Board of Directors and the Charters of each Committee provide that any individual director may engage outside advisors at the expense of the Corporation, with the prior approval of the Corporate Governance Committee, and each committee may also engage outside legal counsel or accountants or any other expert required to complete a specific mandate.

Standing Committees

The Board has delegated responsibilities to three committees, being the Corporate Governance Committee, the Human Resources and Remuneration Committee and the Audit Committee.

COMMITTEE RESPONSIBILITIES

Committee	Membership
<p>Corporate Governance Committee Composed entirely of independent directors, the Corporate Governance Committee is responsible for:</p> <ul style="list-style-type: none"> • ensuring that adequate policies and procedures relating to corporate governance are adopted by the Corporation and disseminated to its employees where appropriate; • evaluating the role of the various committees of the Board and recommending to the Board changes to these committees; • evaluating the size, composition and conduct of the Board of Directors as well as the contribution of each individual director; • presenting to the Board candidates for nomination as director and reviewing the nominees for re-election before each annual meeting; • developing the Corporation's annual disclosure relating to its corporate governance practices. 	<p>Richard Laferrière (Chair) Dr. Jacques Gagné Terrance Mailloux (until April 29, 2008)</p>
<p>Human Resources and Remuneration Committee Composed entirely of independent directors, the Human Resources and Remuneration Committee is responsible for:</p> <ul style="list-style-type: none"> • evaluating the remuneration of the Corporation's senior executives, having regard for competitive position and individual performance, and making recommendations to the Board, which makes the final determination of the compensation of the senior executives; • evaluating and recommending to the Board of Directors remuneration policies for directors; • establishing the overall policies for remuneration of employees as well as the establishment and evaluation of the bonus program and the Corporation's stock option plan; • ensuring that the organization plan of the Corporation is consistent with its strategic plan, and that the appropriate training and succession plans are in place to ensure the continuing success of the Corporation. 	<p>Dr. Jacques Gagné (Chair) Eric Veilleux Dr. Marc Lussier (until April 29, 2008) Mattie Chinks (since April 29, 2008)</p>
<p>Audit Committee Composed entirely of independent directors, the Audit Committee is responsible for:</p> <ul style="list-style-type: none"> • reviewing and recommending to the Board the selection of the Corporation's independent auditors as well as the compensation to be paid to such auditors; • reviewing with the independent auditors the scope of their audit; • discussing with management and the independent auditors the adequacy and effectiveness of the accounting and financial controls; • overseeing the work of the external auditor; • reviewing the Corporation's financial statements, MD&A and annual and interim press releases; • reviewing the Corporation's insurance program. <p>The Corporation's audit committee charter is reproduced as Schedule A of the Corporation's 2008 Annual Information Form, which may be consulted on SEDAR at www.sedar.com.</p>	<p>Louis Lacasse (Chair) Hubert Marleau Eric Veilleux Terrance Mailloux (until April 29, 2008) Gilles Gagnon (since April 29, 2008)</p>

Attendance at Board and Committee Meetings

The overall attendance rate for the Corporation's Board of Directors meetings for fiscal 2008 was 88% for the Board of Directors, 81% for the Audit Committee, 100% for the Human Resources and Remuneration Committee and 100% for the Corporate Governance Committee. The following table sets forth the attendance of Directors at Board and Committee meetings in 2008:

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE FOR THE YEAR ENDED DECEMBER 31, 2008

	Number of Board Meetings Held in 2008		Number of Committee Meetings Held in 2008 AUD: 4 meetings GOV: 2 meeting HR: 3 meetings	
Director	8 meetings			
	Board Meetings Attended		Committee Meetings Attended	
Richard Laferrière	8 of 8	100%	1 of 1 (GOV) (Chair)	100%
Mark Busgang	8 of 8	100%	N/A	N/A
Terrance Mailloux	2 of 2	100%	1 of 1 (AUD) 2 of 2 (GOV)	100%
Warren H. Haber	1 of 2	50%	N/A	N/A
Louis Lacasse	8 of 8	100%	4 of 4 (AUD)	100%
Hubert Marleau	5 of 8	62.5%	1 of 4 (AUD)	25%
Jacques Gagné	7 of 8	87.5%	2 of 2 (GOV) 3 of 3 (HR)	100%
Marc Lussier	2 of 2	100%	2 of 2 (HR)	100%
Diane Lanctôt	1 of 2	50%	N/A	N/A
Eric Veilleux	7 of 8	87.5%	4 of 4 (AUD) 4 of 4 (HR)	100%
Gilles Gagnon	6 of 6	100%	3 of 3 (AUD)	100%
Mattie Chinks	5 of 6	83.3%	1 of 1 (HR)	100%
Committees: (AUD): Audit Committee (HR): Human Resources and Remuneration Committee (GOV): Corporate Governance Committee				

Role and Responsibilities of the Chairman of the Board of Directors, of the President and CEO and of Each Committee Chair

The Board of Directors has developed written position descriptions for the Chairman of the Board and of each committee as well as for the President and CEO.

Chairman of the Board

The Chairman of the Board of Directors, Richard Laferrière, is an independent director. His role is to be responsible for the proper functioning of the Board of Directors, for its composition subject to shareholders' approval, for guiding discussions for strategic decision-making and for supervising the implementation of decisions made by the Board and its committees.

In fulfilling his responsibilities, the Chairman collaborates with the CEO in the establishment of agendas for Board meetings and in ensuring that all important strategic questions are dealt with by the Board.

President and CEO

In addition to the items mentioned above where the President and CEO and the Chairman collaborate, the President and CEO's responsibilities include the elaboration and execution of the strategies and policies of the Corporation, including the Corporation's organizational chart, business plans and budgets, and representing the Corporation before the Corporation's shareholders, financial partners, the government and the public.

Committee Chairs

Each of the Committee Chairs must be independent directors. Their responsibilities include the management of the Committee's business, providing input to the Corporation's management on the preparation of agendas, guiding meetings to ensure the Committee fulfills its mandate as stated in its charter, reporting to the Board on all matters of importance discussed by the Committee and making recommendations in accordance with the Committee's charter and the Corporation's level of authority policy.

In addition, the Chair of the Audit Committee is responsible for overseeing the Corporation's "Procedure for Complaints and Concerns regarding Accounting, Internal Accounting Controls, Auditing and Other Matters" and receiving and treating complaints in accordance with this Procedure.

Nomination of Directors

The members of the Corporate Governance Committee and the CEO are responsible for identifying potential new Board Members from the business community who meet the required skill sets. These skill sets are defined annually in the assessment questionnaires further discussed below.

The Corporate Governance Committee is responsible for recommending to the Board of Directors candidates for nomination as director and for reviewing the nominees for re-election before each annual meeting. In collaboration with the CEO, the Chairman of the Board, who is also Chairman of the Corporate Governance Committee, studies candidatures for new directors and suggests candidates to the Corporate Governance Committee.

As part of its mandate, the Corporate Governance Committee evaluates the skills and competencies of the Board as a whole, as well as the contribution each director brings to the Board for the direction of the Corporation's business and affairs. The Board of Directors has implemented a process by which this assessment is performed on an annual basis by all directors, individually, through a detailed questionnaire. This process provides useful information to the Corporate Governance Committee to help assess the profile of future director candidates.

Orientation of New Directors and Continuing Education

The Board of Directors has adopted a process for the orientation of new directors, which includes a meeting with the President and CEO to discuss the nature and operation of the Corporation's business, a tour of the Corporation's installations, providing new directors with the Corporation's strategic plan and Corporate Governance Manual, and offering them a copy of the minutes of the Board of Directors' meetings for the preceding twelve months. Detailed annual Board and Audit Committee meeting schedules for the ensuing year are provided to all new directors and are reviewed and updated on an ongoing basis.

The Corporation does not provide its directors with a continuing education program to ensure they maintain the skill and knowledge necessary to meet their obligations as directors. However, all directors possess considerable experience and skills in the business, finance and /or scientific industries. In addition, during their regularly scheduled Board meetings, presentations are made to the directors on various aspects of the Corporation's business as well as on legal and regulatory developments relevant to the Corporation. In addition, every year, special strategic meetings of the Board of Directors are held to discuss the Corporation's plan and budget for the following financial year as well as its execution of the Corporation's strategic plan.

Compensation of Directors and Officers

The Human Resources and Remuneration Committee is responsible for evaluating the remuneration of the Corporation's senior executives, having regard for competitive position and individual performance, and making recommendations to the Board, which makes the final determination of the compensation of the senior executives. With respect to the President and CEO, the Human Resources and Remuneration Committee recommends to the Board of Directors his annual performance objectives and evaluates his performance in light of these objectives.

The Human Resources and Remuneration Committee also evaluates and recommends to the Board of Directors remuneration policies for directors, with a view of ensuring that it realistically reflects the responsibilities and risks involved in being a director of the Corporation. A summary of the compensation received by the directors for the financial year ended December 31, 2008, is provided in this Circular under the heading "D. Director and Executive Compensation".

In 2006, the Corporation has retained the services of Groupe Conseil SD, compensation consultants, who have proceeded to a review of the senior executives' compensation program as well as a review of the Corporation's Canadian and American group insurance program. Groupe Conseil SD have reported their findings to the Human Resources and Remuneration Committee.

Assessments

Annually, a detailed questionnaire is addressed to each director, in his or her capacity as director, and, as the case may be, as a member of one or more of the committees of the Board of Directors, aimed at obtaining their views on the effectiveness of the Board and of its committees. The results of the questionnaires are compiled by the Corporate Secretary and are remitted to the Corporate Governance Committee, who reviews and discusses any and all issues and reports to the Board on its findings. The Board of Directors reviews the results of these questionnaires and the recommendations provided by the Corporate Governance Committee and takes appropriate action based upon the results of the review process. The Board has also implemented individual director performance assessments, which is conducted and reviewed annually.

Ethical Business Conduct

The Board of Directors has adopted a Code of Ethics, which provides guidelines to ensure that all directors, officers and employees of the Corporation and all consultants and other persons working on behalf of the Corporation respect its commitment to conduct business relationships with the highest standards of ethical conduct.

The Board of Directors is responsible for monitoring compliance to the Code of Ethics. The CFO, the CEO and the committees are each responsible for reporting to the Board any failure to comply with the Code of Ethics, and the Board has the ultimate responsibility of addressing such failures. In addition, the Code of Ethics provides that each of the Corporation's employees is obligated to communicate any situation that raises a question as to ethical or legal compliance. The Corporation has not filed any material change report pertaining to a conduct of a director or officer that would constitute a departure from the Code of Ethics. An updated version of the Corporation's Code of Ethics was filed on SEDAR on March 14, 2008, and may be consulted at www.sedar.com.

Warnex has also established procedures approved by the Audit Committee for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing or other matters. In accordance with this policy, any person who wishes to submit a complaint may do so by sending it to the attention of CEO or the Chair of the Audit Committee.

The Code of Ethics and the Procedure for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing and Other Matters were presented to all of the Corporation's employees, who have provided a written acknowledgement confirming that they have received a copy of these documents and that they undertake to comply with them.

At each of its regularly scheduled meetings, the Board of Directors enquires to management and to the Chairman of the Audit Committee if they have received any complaint with respect to matters addressed by the Code of Ethics and by the Procedures for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing and Other matters.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation provides, at its sole cost, liability insurance for its Directors and officers covering them against liability arising while engaged in those capacities by means of insurance policies which also cover the Directors and officers of the Corporation's subsidiaries, if any. During the fiscal year ended December 31, 2008, the policy provided maximum coverage of \$5,000,000 per occurrence and a maximum coverage of \$5,000,000 per each policy period subject to a deductible of \$25,000 per occurrence for the Corporation. The premium paid for the policies was \$38,698. Neither the policies nor the premium paid make any distinction between the liability insurance for the Corporation's Directors and officers, since the coverage is the same for both groups.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any Director, officer or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon, other than the election of Directors.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No Director, officer, nor any of their respective associates or affiliates is or has been at any time since the date of incorporation indebted to the Corporation.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as set forth below, management of the Corporation is not aware of any material interest, direct or indirect, of any insider of the Corporation, or any associate or affiliate of any such person in any transaction during the financial year ended December 31, 2008, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

The Corporation paid \$5,000, being \$1,000 per month, to the Corporation's Chairman of the Board, Richard Laferrière, for his work on specific mandates for the various operating divisions of the Corporation. This transaction was reviewed by the Corporation's Audit Committee and Board of Directors.

Busgang Investments Inc. (formerly Busgang Realty Inc.), a company controlled by Mark Busgang, President and Chief Executive Officer of the Corporation, has entered into a lease with the Corporation for its premises at 3885 Industriel Blvd, Laval, Quebec (the "Laval Lease"). The initial term of the Laval Lease ended June 30, 2006, and called for annual minimum payments of \$243,408. In January 2005, the Corporation exercised its option to renew the Laval Lease for an additional period of five years, up to June 30, 2011. On February 1st, 2008, the Corporation signed an amendment to the Laval Lease to extend its term to January 31, 2018, with two 5-year options to renew at market rate. The current base rent will be maintained until June 30, 2011; from July 1st, 2011 to January 31, 2013, the annualized base rent will be \$264,000; from February 1st, 2013 to January 31, 2018, the annualized base rent will be of \$297,000. On September 5, 2008, Busgang Investments Inc. sold the building to an arms-length third party.

On February 1st, 2008, the Corporation also entered into a lease with Busgang Investments for the premises located at 865, Michèle Bohec, Blainville, Quebec (the "Blainville Lease"). The Blainville Lease is for a 10-year term with two 5-year options to renew, at an annualized base rent of \$374,620 from February 1st, 2008 to January 31, 2013, and \$412,083 from February 1st, 2013 to January 31, 2018. On September 5, 2008, Busgang Investments Inc. sold the building to an arms-length third party.

The transactions between the Corporation and Busgang Investments were reviewed by the Corporate Governance Committee to ensure they set forth reasonable commercial terms that, considered as a whole, were not less advantageous to the Corporation than if the Blainville Lease and the Amendments to the Laval Lease were with a person dealing at arm's length with the Corporation and the existence thereof had been disclosed.

The Board of Directors was presented with the Corporate Governance Committee's recommendation as well as with all relevant facts, and approved such transactions by way of a unanimous written resolution, which Mr. Busgang signed only for the purpose of obtaining the requisite unanimity, having declared his conflict of interest.

GENERAL


Except as otherwise mentioned, the information contained herein is given as of the 10th day of March 2009.

ADDITIONAL INFORMATION

Additional financial and other information relating to the Company is included in its 2008 audited annual and unaudited quarterly financial statements, annual and quarterly Management's Discussion and Analysis, Annual Information Form and other continuous disclosure documents, which are available on SEDAR at www.sedar.com and on the Corporation's website at www.warnex.ca.

APPROVAL OF THE DIRECTORS

The Directors of the Corporation have approved the content and mailing of this Management Proxy Circular to the shareholders, Directors and auditors of the Corporation.

A handwritten signature in black ink, appearing to read 'Mark Busgang', with a long horizontal stroke extending to the right.

Mark Busgang
President and CEO
Laval, March 10, 2009



WARNEX

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