



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 10 members and these 10 members are proposed for re-election as directors for the ensuing year.

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 *2005 Annual Information Form*, which may be consulted on www.sedar.com.

Director Independence

The Corporation considers that 7 out of its 10 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.

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 2005, the Board of Directors met on three occasions without members of management and Mr. Busgang's presence. As the Corporation has recently determined that Diane Lanctôt and Daniel Boulais are not considered independent directors, they will not participate in such meetings in the future.

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 four committees, being the Corporate Governance Committee, the Human Resources and Remuneration Committee, the Audit Committee and the Research and Development 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</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>Terrance Mailloux (Chair) Warren Haber Dr. Marc Lussier</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 <i>2005 Annual Information Form</i>, which may be consulted at www.sedar.com.</p>	<p>Louis Lacasse (Chair) Terrance Mailloux Hubert Marleau</p>

Committee	Membership
<p>Research and Development Committee Composed entirely of independent directors, the Research and Development Committee is responsible for:</p> <ul style="list-style-type: none"> • making recommendations to the Board of Directors concerning the research and development activities of the Corporation; and • making recommendations to the Board on the composition and the nomination of the members of the Corporation's Scientific Advisory Board. 	<p>Dr. Jacques Gagné (Chair)</p> <p>Dr. Marc Lussier</p>

Attendance at Board and Committee Meetings

The overall attendance rate for the Corporation's Board of Directors meetings for fiscal 2005 was 82% for the Board of Directors, 100% for the Audit Committee, 100% for the Human Resources and Remuneration Committee, 100% for the Research and Development Committee and 100% for the Corporate Governance Committee. The following table sets forth the attendance of Directors at Board and Committee meetings in 2005, except for Hubert Carrier, who resigned as a Director effective October 2005:

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE FOR THE YEAR ENDED DECEMBER 31, 2005

	Number of Board Meetings Held in 2005 6 meetings		Number of Committee Meetings Held in 2005 AUD : 4 meetings GOV: 1 meeting HR: 4 meetings R&D: 1 meeting	
Director	Board Meetings Attended		Committee Meetings Attended	
Richard Laferrière	4 of 6	67%	1 of 1 (GOV) (Chair)	100%
Mark Busgang	6 of 6	100%	N/A	N/A
Terrance Mailloux	6 of 6	100%	3 of 3 (AUD) ⁽¹⁾ 4 of 4 (HR) (Chair)	100% 100%
Warren H. Haber	4 of 6	67%	4 of 4 (HR)	100%
Louis Lacasse	5 of 6	83%	4 of 4 (AUD)	100%
Hubert Marleau	5 of 6	83%	4 of 4 (AUD)	100%
Jacques Gagné	6 of 6	100%	1 of 1 (R&D) (Chair) 1 of 1 (GOV)	100% 100%
Marc Lussier	5 of 6	83%	4 of 4 (HR) 1 of 1 (R&D)	100% 100%
Diane Lanctôt ⁽²⁾	2 of 2	100%	N/A	N/A
Daniel Boulais ⁽²⁾	1 of 2	100%	N/A	N/A
<p>Committees: (AUD): Audit Committee (HR): Human Resources and Remuneration Committee (GOV): Corporate Governance Committee (R&D): Research and Development Committee</p> <p>(1) Member of this Committee since April 2005. (2) Board Members since November 2005.</p>				

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, and the Chair of the Research and Development Committee is also Chair of the Corporation's Scientific Advisory Board.

Nomination of Directors

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 recently implemented a process by which this assessment will also be performed on an annual

basis by all directors, individually, through a detailed questionnaire. This process will provide 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.

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, a special full-day strategic meeting of the Board of Directors is 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. All directors are also invited to attend, annually, a full-day meeting of the Corporation's Scientific Advisory Board, composed of outside scientific experts, which discusses the ongoing development of the Corporation's DNA detection technology.

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, 2005, is provided in this Circular under the heading "D. Director and Executive Compensation".

The Corporation has recently retained the services of Groupe Conseil SD, compensation consultants, who will proceed to a review of the senior executives' compensation program as well as a review of the Corporation's Canadian and American group insurance program.

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 will be 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, 2006, 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 the Corporate Secretary 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.