

Notice to Non-Registered Beneficial Owners

There are two ways in which non-registered shareholders may cast the votes attaching to shares held by their nominees. Securities regulations and legislation, specifically *Regulation 54-101 – Respecting Communication with Beneficial Owners of Securities of a Reporting Issuer*, require that the nominee of a non-registered shareholder obtain the shareholder’s voting instructions prior to the Meeting. Non-registered shareholders will receive (or will have received) a request for voting instructions or a proxy form from their nominee prior to the Meeting in consideration of the number of shares they hold. The voting instructions or proxy forms provided by their nominees will provide instructions on how to sign and submit these documents; non-registered shareholders must read and follow these instructions carefully to make sure that the voting rights attaching to their shares are properly cast at the Meeting.

Non-registered shareholders who wish to have the votes attaching to their shares cast on their behalf must follow the voting instructions provided by their nominee.

Non-registered shareholders who wish to cast the votes attaching to their shares in person at the Meeting must enter their own name in the space provided to that end on the voting instruction request or proxy form, whichever the case may be, to appoint themselves as proxy, and then follow the instructions on how to sign and submit the document provided by their nominee. Non-registered shareholders who appoint themselves as proxy must report to the representative of the Company’s transfer agent, Computershare Trust Company of Canada, at the Meeting. Non-registered shareholders should leave the other sections of the form sent to them by their nominee blank, as their votes will be cast and counted at the Meeting.

Voting Shares and Principal Holders Thereof

The Company is authorized to issue an unlimited number of common voting shares without nominal or par value, each comprising a right to vote. As of the date of this Proxy Circular, there were 172,677,515 common voting shares issued and outstanding. The Company has fixed the close of business on May 8, 2008 as the reference date for the purpose of determining those shareholders entitled to vote at the Meeting or any adjournment thereof.

As at this date, to the Company Directors’ and officers’ knowledge, no person or company holds more than 10% of the outstanding common voting shares of the Company except:

Name of shareholder	Number of common shares	Percentage of common shares
Aquilon Capital Corp.	26,083,800 ¹	15.1 %

⁽¹⁾ Held directly and/or where control is exercised

MATTERS ON THE AGENDA

Management Discussion & Analysis and Financial Statements

The Management Discussion & Analysis (“MD&A”), as well as the financial statements and auditors’ report pertaining thereto, for the year ended February 2, 2008, which are included in the Company’s 2007 annual report, shall be placed before the shareholders at the Meeting; a vote is neither required nor planned in this respect.

Election of Directors

Under the Articles of the Company, the Board shall consist of a minimum of three and a maximum of eleven Directors. The number of Directors is currently set at five. **Unless otherwise specified, the persons appointed in the enclosed form of proxy intend to vote FOR the election of the nominees whose names appear hereafter.** Management has no reason to believe that any of the nominees will be unable to serve as a Director but, if such should be the case for any reason whatsoever prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

The mandate of the following Directors will end at the Meeting: Mr. Mardiros Ounanian, Mr. Scott Leckie, Ms. Melinda Lee, Mr. Joe Marsilii and Mr. Paul Delage Roberge.

Following their election, each Director will remain in office until the next annual Meeting of the Shareholders of the Company, or until their successor is elected or appointed, whichever is earlier.

The following table and notes provide:

- the name of each person proposed for election as a Director,
- their place of residence,
- the position each holds in relation to the Company,
- each nominee’s current principal occupation and the name of the organization for which they carry out this occupation,
- their number of years of service as a Director of the Company, as well as
- the number of voting shares of the Company held directly or indirectly by each person as a beneficial owner, or which he or she controls or directs.

Candidate's Name	Principal Occupation	Director Since	Number of Shares Controlled or Directed	
			Common Voting Shares	% of Common Voting Shares
MARDIROS OUNANIAN ^B Chairman of the Board Quebec, Canada	President N.A.T. Co.	June 14, 2007	3,845,000 ¹	2.2%
<ul style="list-style-type: none"> - Independent Director - Mr. Mardiros Ounanian, President of the Board, has been President of N.A.T. Co. since 1998. He has also been President of Karami Investments inc. since 2006. 				
SCOTT LECKIE, CFA ^{A,B} Director Ontario, Canada	Senior Vice-President, Aquilon Capital Corp. ²	June 14, 2007	—	—
<ul style="list-style-type: none"> - Independent Director - Mr. Scott Leckie is Senior Vice President of Aquilon Capital Corp., which he co-founded in 1990. Prior to founding Aquilon Capital Corp., Mr. Leckie was Investment Adviser at Midland Doherty from 1985 to 1990. Following the acquisition of the Brokerage and Portfolio Management activities of Aquilon Capital Corp. by National Bank Financial on March 1, 2008, Mr. Leckie now focuses on asset management activities. 				
MELINDA LEE, CA ^{A,B} Director Nova Scotia, Canada	Vice-President, Investments Clarke Inc. ³	April 16, 2007	—	—
<ul style="list-style-type: none"> - Independent Director - Ms. Melinda Lee is currently Vice-President, Investments for Clarke Inc. Before joining Clarke in May 2006, Ms. Lee served as Vice-President of Geosam Investments Limited for three years, after having gained seven years' public accounting experience at Chartered Accountancy firms in Ottawa and Halifax. Ms. Lee has been a Chartered Accountant since 1999 and is also a Director of the following public companies: Royal Host Real Estate Investment Trust, General Donlee Income Fund and Shermag Inc. 				
JOE MARSILII, CA ^A Director Quebec, Canada	Vice-President, Investments and Finance Jolina Capital inc. (holding company)	March 1, 2007	150,000 ⁴	0.1%
<ul style="list-style-type: none"> - Independent Director - Mr. Joe Marsilii joined Jolina Capital in 2001 as Chief of Financial Services and later became Vice-President, Investments and Finance. Between 1993 and 2001, he occupied various positions with companies within Groupe Québecor. Mr. Marsilii is a Chartered Accountant and has worked at KPMG, a Chartered Accountancy firm. He currently sits on the Board of Directors of TransForce Income Fund, a public company. 				
PAUL DELAGE ROBERGE Director Quebec, Canada	President and Chief Executive Officer REZOpr Québec inc.	1978	4,890,925 ⁵	2.8%
<ul style="list-style-type: none"> - Non independent Director - Mr. Paul Delage Roberge, founder of the Company, was President and Chief Executive Officer of the Company until 2002 and is currently President of REZOpr Québec inc. 				

- 1) Of this number, 2,700,000 shares are held by Karami Investments Inc., an investment company exclusively controlled by Mr. Mardiros Ounanian.
- 2) Mr. Scott Leckie represents Aquilon Capital Corp., a shareholder holding directly or controlling 15.1% of the Company's shares. On March 1st, 2008, Aquilon Capital was acquired by National Bank Financial.
- 3) Ms. Melinda Lee represents Clarke Inc., a shareholder holding 8.6% of the Company's shares.
- 4) Of this number, 100,000 shares are held by members of Mr. Marsilii's family.
- 5) Of this number, 4,718,350 shares are held by 114114 Canada Inc., an investment company exclusively controlled by Mr. Paul Delage Roberge. Mr. Delage Roberge also holds 8,633,875 stock options.

- A) Member of the Audit Committee. Ms. Lee and Mr. Leckie were nominated to this committee on August 1st, 2007.
- B) Member of the Corporate Governance Committee and Human Resources Committee. Ms. Lee and Mr. Leckie were nominated to this committee on August 1st, 2007. M. Ounanian was nominated to this committee on April 14, 2008.

All of the Directors carried out the principal occupation(s) listed beside their names over the last five years, except for the following:

Ms. Melinda Lee, who, before joining Clarke Inc. as Vice-President, Investments in May 2006, served as Vice-President of Geosam Investments Limited for three years, after having gained seven years' public accounting experience at Chartered Accountancy firms in Ottawa and Halifax.

To the Company's knowledge, no Director or officer of the Company nor shareholder holds a sufficient number of securities of the Company to materially affect the control of the Company.

Cease Trade Orders, Bankruptcies, Fines and Sanctions

Other than as indicated below, to the Company's knowledge, no Director whose candidacy to the position of Director is proposed:

(a) is, as at the date of this circular, or has been, within 10 years before the date of the circular, a director, chief executive officer or chief financial officer of any company (including the company in respect of which the circular is being prepared) that,

(i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

(b) is, as at the date of the circular, or has been within 10 years before the date of the circular, a director or executive officer of any company (including the company in respect of which the circular is being prepared) that, while that person was acting in that capacity, or 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

(c) has, within the 10 years before the date of the circular, 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 the assets of the proposed director.

Paul Delage Roberge, who assumed his current role as Director of the Company when the latter restructured under the *Companies' Creditors Arrangement Act*.

Melinda Lee is a director of Shermag Inc, which is restructuring under the *Companies' Creditors Arrangement Act*.

On June 30, 2005, Scott Leckie concluded a settlement with Market Regulation Services Inc. ("RS") under which he agreed to pay RS a fine and costs totalling \$120,000. The settlement was reached following a review by RS of seven trades Mr. Leckie made in shares of Air Canada in June 2003, on behalf of a client. RS accepted that Mr. Leckie's trading activities were intended for the benefit of his client and acknowledged that Mr. Leckie had no intention to manipulate the price of shares or deceive the market.

Attendance Record for Board Meetings

The following table sets forth the number of meetings held by the Board during the fiscal year ending February 2, 2008 and the attendance of each Director at those meetings.

Number of Meetings Each Board Member Attended

Director	Board	Audit Committee	Corporate Governance and Human Resources Committee
Total meetings held within the year	10	4	2
Mardiros Ounanian	5 of 5	-	-
Scott Leckie	5 of 5	2 of 2	-
Melinda Lee	6 of 6	2 of 2	-
Joe Marsilii	7 of 8	4 of 4	-
Paul Delage Roberge	10 of 10	-	-
Yves Simard ¹	1 of 1	-	-
Sylvie Lalande ¹	4 of 4	-	2 of 2
Jean Desmarais ¹	4 of 5	2 of 2	2 of 2
Richard Soly ¹	5 of 5	2 of 2	2 of 2
Jeff Larsen ¹	5 of 5	-	-

¹⁾ Member of relevant committee or committees until date of resignation

Appointment of Auditors

Unless otherwise specified, the persons whose names appear on the form of proxy intend to vote FOR the appointment of Samson Bélair/Deloitte & Touche s.e.n.c.r.l. as auditors of the Company and the establishment of their remuneration by the Board. The auditors will hold office until the next Annual Meeting of shareholders of the Company or until their successors are appointed. In order to be passed, a motion respecting the appointment of auditors must be carried by a majority of the votes of the shareholders entitled to vote who are present or represented by proxy at the Meeting.

Samson Bélair/Deloitte & Touche s.e.n.c.r.l., Chartered Accountants, have been the auditors of the Company since 1985.

Approval of Renewal and Amendment of the Stock Option Plan

The Company's service providers are eligible for options under the Plan in its current form. On May 6, 2008 the Board resolved to amend the Plan to remove service providers from the list of persons eligible for options. The directors believe that this modification is in the Company's best interests. Section 1.1 of the Plan therefore now reads as follows:

- 1.1 The stock option plan of Groupe Bikini Village Inc. (the "Company") purports, subject to regulatory approvals, to entice the directors, senior officers and management employees of the Company and its subsidiaries (the "Eligible Persons"; the "Plan") to provide such persons with additional inducement to promote, to the best of their ability, the interest of the Company and its subsidiaries and to reward their management skills, special contribution, efforts, performance, services rendered or to be rendered and loyalty.

The Company has undertaken to the *Fonds de Solidarité FTQ* to amend the method of calculating the number of shares reserved for issuance under the Plan. In its current form, the Plan reserves for issuance a number of shares equal to 10% of the number of the Company's common shares that are outstanding. As required by the Company's undertaking to the *Fonds de Solidarité FTQ*, on May 6, 2008 the Board resolved to amend the Plan so that shares issued under an exercise of options will no longer count when calculating the figure of 10% of shares reserved for issue. For example, if the Company has 1,000,000 shares outstanding but 10,000 of those were issued under an exercise of options, the number of shares reserved for issuance under the Plan will be 10% of 1,000,000 – 10,000, which would give a figure of 99,000 shares reserved for issuance. Section 2.1 of the Plan therefore now reads as follows:

2.1 Subject to any adjustment pursuant to the provisions of Article 10 hereof, the aggregate number of shares reserved for issuance under the Plan is equal to 10% of a number of shares equal to A minus B, where A is equal to the number of common shares outstanding at the time of grant and B is equal to the number of shares issued under Options. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of shares in respect of which the Option expired or terminated shall again be available for issuance under the Plan.

The TSX has asked the Company to explicitly adopt the definition of "market price" set forth in the TSX Company Manual. A new paragraph two has therefore been added to Section 5.2 of the Plan as follows:

The "market price" is the volume weighted average trading price of the Company's listed securities, calculated by dividing the total value by the total volume of securities traded on the TSX for the five trading days immediately preceding the day on which the Options are granted.

The Board wishes to have the power to make certain specific amendments without requiring shareholder approval. On May 6, 2008, the Board therefore adopted an amendment to the Plan that sets forth a list of amendments that the Board can make without shareholder approval. Section 11.1 of the Plan therefore now reads as follows:

11.1 The Plan shall be under the responsibility of, and administered by, the Board of Directors of the Company. The Board of Directors may from time to time, by way of a resolution, amend or repeal the Plan and take all measures necessary or useful to the administration of the Plan, provided however that any amendment to the Plan shall be subject to the approval of all relevant regulatory authorities.

The Board of Directors may make amendments to the Plan that it deems necessary or useful, without having to obtain shareholder approval. Such changes include, without limitation:

- (a) minor changes of a "house-keeping nature";
- (b) amending Options including with respect to the option period (provided that the period during which an Option is exercisable does not exceed ten years from the date the Option is granted and that the Option is not held by an insider), vesting period, exercise method and frequency, subscription price (provided that the Option is not held by an insider) and method of determining the subscription price, assignability and effect of termination of a participant's employment or cessation of the participant's directorship;
- (c) changing the class of participants eligible to participate under the Plan;
- (d) advancing the date on which any Option may be exercised or extending the expiration date of any Option, provided that the period during which an Option is exercisable does not exceed ten years from the date the Option is granted;

- (e) changing the terms and conditions of any financial assistance that may be provided by the Company to participants to facilitate the purchase of common shares under the Plan; and
- (f) adding a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying common shares from the Plan reserve.

Shareholder approval will be required in the case of (i) any amendment to the amendment provisions of the Plan, (ii) any increase in the maximum number of common shares issuable under the Plan, and (iii) any reduction in the exercise price or extension of the option period benefiting an insider, in addition to such other matters that may require shareholder approval under the rules and policies of the TSX.

In light of the TSX's requirements and the amendments set forth above, the shareholders will be asked at the Meeting to approve all unallocated options, rights or other entitlements under the Plan and the amendments to the Plan. Each of these approvals is a separate requirement, but both of which are addressed in a single resolution of the shareholders. Whether or not the resolution is approved, all options and other entitlements currently outstanding under the Plan will remain in effect in accordance with their terms. If the resolution is not approved, previously granted options will not be available for re-allocation if they are cancelled prior to exercise.

The text of the proposed resolution to approve all unallocated options, rights or other entitlements under the Plan, and the amendments to the Plan, is as follows:

1. To approve the amendment to the Plan adopted by the Board to amend section 1.1 of the Plan to read as follows:

“The stock option plan of Groupe Bikini Village Inc. (the “Company”) purports, subject to regulatory approvals, to entice the directors, senior officers and management employees of the Company and its subsidiaries (the “Eligible Persons”; the “Plan”) to provide such persons with additional inducement to promote, to the best of their ability, the interest of the Company and its subsidiaries and to reward their management skills, special contribution, efforts, performance and loyalty.”

2. To approve the amendment to the Plan adopted by the Board to replace the first sentence of section 2.1 of the Plan with “Subject to any adjustment pursuant to the provisions of Article 10 hereof, the aggregate number of shares reserved for issuance under the Plan is equal to 10% of a number of shares equal to A minus B, where A is equal to the number of common shares outstanding at the time of grant and B is equal to the number of shares issued under Options.”.

3. To approve the amendment to the Plan adopted by the Board to add a second paragraph to section 5.2 of the Plan to read as follows:

“The “market price” is the volume weighted average trading price of the Company's listed securities, calculated by dividing the total value by the total volume of securities traded on the TSX for the five trading days immediately preceding the day on which the Options are granted.”

4. To approve the amendment to the Plan adopted by the Board to amend Section 1.1 of the Plan to read as follows:

“The Plan shall be under the responsibility of, and administered by, the Board of Directors of the Company. The Board of Directors may from time to time, by way of a resolution, amend or repeal the Plan and take all measures necessary or useful to the administration of the Plan, provided

however that any amendment to the Plan shall be subject to the approval of all relevant regulatory authorities.

The Board of Directors may make amendments to the Plan that it deems necessary or useful, without having to obtain shareholder approval. Such changes include, without limitation:

- (a) minor changes of a “house-keeping nature”;
- (b) amending Options including with respect to the option period (provided that the period during which an Option is exercisable does not exceed ten years from the date the Option is granted and that the Option is not held by an insider), vesting period, exercise method and frequency, subscription price (provided that the Option is not held by an insider) and method of determining the subscription price, assignability and effect of termination of a participant’s employment or cessation of the participant’s directorship;
- (c) changing the class of participants eligible to participate under the Plan;
- (d) advancing the date on which any Option may be exercised or extending the expiration date of any Option, provided that the period during which an Option is exercisable does not exceed ten years from the date the Option is granted;
- (e) changing the terms and conditions of any financial assistance that may be provided by the Company to participants to facilitate the purchase of common shares under the Plan; and
- (f) adding a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying common shares from the Plan reserve.

Shareholder approval will be required in the case of (i) any amendment to the amendment provisions of the Plan, (ii) any increase in the maximum number of common shares issuable under the Plan, and (iii) any reduction in the exercise price or extension of the option period benefiting an insider, in addition to such other matters that may require shareholder approval under the rules and policies of the TSX.”

5. To approve all unallocated options, rights or other entitlements under the Plan.

Approval of this resolution requires the affirmative vote of a majority of the votes cast at the Meeting. If the resolution is not approved, any currently unallocated options, rights or other entitlements under the Plan will no longer be available for grant. **The Board unanimously recommends that shareholders adopt the proposed resolution to approve all unallocated options, rights or other entitlements under the Plan, and the amendments to the Plan, by voting FOR this resolution. Unless instructed to vote against this resolution, the persons named in the enclosed form of proxy intend to vote FOR its adoption.** In order to pass, the motion relative to this change to the Plan must be approved by a majority vote of disinterested shareholders present or represented by proxy and having voting rights at the meeting. Insiders in the Company who are also eligible for the Plan shall abstain from voting on this motion. Thus, 9,186,025 common shares of the Company may not be voted on this motion. The Plan shall be subject to further approval by the shareholders of the Company during the third annual meeting of shareholders of the Company, which will follow the meeting of June 12, 2008. See section “Stock Option Plan for Common Shares”.

Amendment to By-Laws

On May 6, 2008, the Board adopted By-Law 2008-1, which reads as follows:

By-Law 2008-1

Article 5 of By-Law 2003-1 is hereby amended to read as follows:

“Quorum – The holders of 5% of the Company’s outstanding shares entitled to vote at a meeting, present at the meeting or represented by proxy, shall constitute a quorum for the transaction of business at the meeting.”

Adjournment - If a quorum is not present within 30 minutes of the opening of the meeting, the meeting may be adjourned to such date, and to such time and place as may be designated by the chairperson of the meeting. At the adjourned meeting, the holders of shares of the Company present in person or by proxy, whether or not they hold at least 5% of the outstanding shares of the Company entitled to vote at the meeting, and whether or not they were present at the original meeting, shall constitute a quorum and may transact the business for which the meeting was originally called.”

The text of the proposed resolution to confirm By-Law 2008-1 is as follows:

1. to confirm By-Law 2008-1 as adopted by the Company’s Board of Directors.

The Board unanimously recommends that shareholders adopt the proposed resolution to confirm By-Law 2008-1, by voting FOR this resolution. Unless instructed to vote against this resolution, the persons named in the enclosed form of proxy intend to vote FOR its adoption.

Other Matters Coming Before the Meeting

The management of the Company knows of no matters to come before the Meeting other than those referred to in the notice of such Meeting. Should other matters unknown at this time come before the Meeting, the voting rights attached to the common shares in circulation which are conferred by the enclosed form of proxy will be exercised at the discretion of the person exercising such voting rights pertaining to such matters.

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

Remuneration of the Directors

Every outside Director of the Company, with the exception of the former Chairman of the Board, shall receive annual retainer fees of \$6,500, a sum of \$1,000 for each Board meeting attended, a sum of \$500 for each Board meeting attended by conference call, and a sum of \$1,000 for every meeting of the committees. During the last fiscal year, a total amount of \$79,355 was paid to eight Directors. Mr. Paul Delage Roberge, Chairman of the Board until August 1st, 2007 and Director since, received \$200,000 in remuneration in these positions during fiscal 2007.

Remuneration of the Executive Officers

The following table provides information concerning the remuneration of individuals having occupied the positions of Chief Executive Officer and Chief Financial Officer as well as other executives of the Company receiving the highest remuneration (hereinafter collectively referred to as the “Named Executive Officers”), in which their salary exceeds \$150,000, while acting as such for services rendered in the fiscal years ended February 2, 2008, February 3, 2007, and January 28, 2006.

Summary Compensation Table								
Name and Principal Position	Fiscal Year Ended	Annual Compensation			Long Term Compensation			Any Other Compensation (\$)
		Salary (\$)	Bonus ¹⁾ (\$)	Other Annual Compensation ²⁾ (\$)	Awards		Payouts	
					Securities Under Options/SARs* (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
YVES SIMARD ³ President and Chief Executive Officer	2008	200,000	—	—	1,000,000 ³	—	—	—
	2007	32,308 ³	—	—	—	—	—	—
	2006	—	—	—	—	—	—	—
LESLIE E. GLAZERMAN ⁴ Former President and Chief Executive Officer	2008	—	—	—	—	—	—	—
	2007	192,885 ⁴	41,375 ⁴	—	750,000 ⁴	—	—	238,337 ⁴
	2006	255,500 ⁴	—	—	—	—	—	—
DAVID MARGOLIS ⁵ Former President and Chief Executive Officer	2008	—	—	—	—	—	—	—
	2007	—	—	—	—	—	—	—
	2006	197,437 ⁵	—	19,385	—	—	—	442,387 ⁵
GILLES MORNEAU ⁶ Former Chief Financial Officer	2008	—	—	—	—	—	—	—
	2007	—	—	—	—	—	—	—
	2006	48,346 ⁶	—	2,500	—	—	—	—

* The acronym “SAR” means Stock Appreciation Rights.

- Bonuses are paid in cash during the fiscal year following the one for which they have been granted.
- During the last three fiscal years, the Named Executive Officers have received no other remuneration or particular benefits amounting to more than the lesser of \$50,000 and 10% of the total salary and bonus paid to them by the Company during the relevant fiscal year.
- Mr. Yves Simard has been the Company’s President and Chief Executive Officer since December 6, 2006. His base salary is \$200,000. On February 22, 2007, 1,000,000 stock options were granted to him under the Company’s Stock Option Plan.
- Mr. Leslie E. Glazerman was President and Chief Executive Officer from March 1, 2006 to December 6, 2006 and his annual salary was \$200,000. From April to August 2005 he held the position of interim Chief Financial Officer, following which he added the role of interim President and Chief Executive Officer to his role as interim Chief Financial Officer, until his appointment as President and Chief Executive Officer on March 1, 2006. A total of \$255,500 in 2006 and \$27,500 in 2007 were paid to him as professional fees for serving in interim positions, as per the terms of his agreement with the Company. On April 19, 2006, 750,000 stock options were granted to him under the Stock Option Plan. He received a severance package of \$200,000, as stipulated in his contract, and a discretionary bonus of \$38,337. Under his employment contract, the former President and Chief Executive Officer of the Company was entitled to a bonus equal to 25% of his base annual salary if the minimum return threshold (net earnings before income taxes according to Canadian generally accepted accounting principles) was achieved. Since the Company achieved the first level of its net earnings before income taxes objective for 2006, a bonus equivalent to 25% of the base salary (pro-rated to the number of months in employment), i.e., \$41,375, was paid to the former President and CEO for the year ended February 3, 2007.
- Mr. David Margolis held the position of President and Chief Executive Officer from October 4, 2004 until August 8, 2005 and his annual salary was \$350,000. He received a severance package of \$350,000, as stipulated in his contract, as well as \$92,837 in commission on the sale of the subsidiary “*Les Ailes de la Mode Incorporées*”.
- Mr. Gilles Morneau acted as Chief Financial Officer from August 3, 2004 to April 30, 2005 and his annual salary was \$150,000. From April 1, 2004 to August 2, 2004, Mr. Morneau served as a consultant to the Company and a total of \$65,775 in fees were paid to him during this period.

Stock Option Plan for Common Shares

The following table provides certain data, as at the end of the year, relating to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ¹
Equity compensation plans approved by security holders	10,135,127	\$0.09	7,132,624

- Excluding securities reflected in the first column.

The Plan

The Plan provides that the maximum number of common shares issuable upon the exercise of options may not exceed 10% of the Company's outstanding common shares. As a result, should the Company issue additional common shares in the future, the number of common shares issuable under the Plan will increase accordingly. The Plan is considered an "evergreen" plan, since the common shares covered by options that have been exercised will be available for subsequent grants under the Plan. The rules of the TSX therefore require that every three years after its institution, all unallocated options, rights or other entitlements under the Plan be approved by a majority of each of the Company's directors and of its security holders. The shareholders will therefore be asked to approve all unallocated options, rights or other entitlements under the Plan for a further three year period at the Meeting.

The purpose of the Plan is to provide an additional incentive to promote, to the best of beneficiaries' ability, the interests of the Company and to reward said beneficiaries' management skills, their special contributions, their efforts, their performance, the services both rendered and to be rendered by them, as well as their loyalty toward the Company.

The persons eligible to participate in the Plan are the Directors, executive officers, management and service suppliers of the Company designated by the Board. Subject to the rules of the Toronto Stock Exchange, the Board determines the duration, the exercise price, the vesting terms and the number of options that may be granted under the Plan. Any option granted to an employee or an officer under the Plan may be exercised at any time within a period of ten years from the grant date of such option, provided that such option holder remains an employee or an officer of the Company and subject to any other restriction which the Board may impose upon granting the option. In case of death, permanent disability, resignation, retirement, termination, dismissal without cause, or any other suspension of employment other than dismissal for cause, the options may be exercised wholly or in part by the option holder within 90 days of the holder's departure, provided that the options are vested. The exercise price of the options granted under the Plan cannot be less than the lowest price permitted by the regulatory authorities responsible for such Plan, i.e., the weighted average price of transactions of common shares of the Company in the five days preceding the date of grant of the options. These options are non-transferable. The Plan also states that the maximum number of common voting shares pursuant to options granted to an individual cannot exceed 5% of the total number of common voting shares at the time at which each option is granted.

As of the date of this Circular, there are 13,534,376 options issued and 3,733,375 options issuable under the Plan, representing, respectively, 7.84% and 2.16% of the Company's currently outstanding common shares.

The Plan does not limit insider participation. The Company does not offer financial assistance to any option holder under the Plan.

All stock option shares granted under the terms of the Plan can immediately be exercised due to a change in control or a public offer to purchase, exchange or repurchase the Company's securities.

Under the rules of the TSX, the Company's shareholders must approve any amendments to the Plan.

As of the date of this Proxy Circular, 13,534,376 options that were granted under the Plan are outstanding. These stock purchase options are held by five management employees of the Company as well as the former Chairman of the Board, and their exercise prices vary between \$0.08 and \$0.58, as shown in the table below.

Exercise price	\$0.08	\$0.09	\$0.11	\$0.13	\$0.58
Number of options outstanding (as at May 6, 2008)	3,400,000	8,633,875	500,000	1,000,000	501

Options/SARs Granted in the last Fiscal Year

The following table provides information concerning the options granted to Named Executive Officers during the fiscal year ended February 2, 2008.

Name	Securities Under Options/SARs Granted	Percent of total options/SARs granted to employees in fiscal year	Exercise or Base Price (\$/security)	Market value of securities underlying Options/SARs on the date of grant (\$/security)	Expiration date
YVES SIMARD President and Chief Executive Officer	1,000,000	100 %	0.13	0.13	February 22, 2017

Options/SARs Exercised During the Last Fiscal Year and Their Values at the End of the Fiscal Year

The following table indicates the number of stock options, if any, exercised under the Plan by the Named Executive Officers during the fiscal year ended February 2, 2008, as well as any gains realized upon exercise, the total number of unexercised options held, if any, as at February 2, 2008, and the value of such unexercised options at that date.

Name	Securities acquired on exercise (#)	Aggregate value realized (\$)	Unexercised Options/SARs at fiscal year end (#)		Value of unexercised in the money Options/SARs at the end of the fiscal year (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Yves Simard	–	–	333,333	666,667	Nil	Nil
Paul Delage Roberge	–	–	8,633,875	Nil	Nil	Nil

Termination of Employment, Change in Duty and Employment Contracts

The Company struck a contract for 4 years, terminating in August 2008, with the founder and former Chairman of the Board, Mr. Paul Delage Roberge, which covers the general terms of the exercise of his mandate, confidentiality and non-competition provisions, honoraria and the grant of stock options. The Company agreed to grant options representing 50% of the options available under the stock option plan currently in place, at the request of the former Chairman of the Board. A total of 8,633,875 options at an exercise price of \$0.09 were granted to the former Chairman, at his request, on June 20, 2006. As of the present date, the total number of options due per his contract had been requested and granted. An increase in the number of options available under the Plan before the deadline date of August 1, 2008 would automatically cause an increase in the options due to the former Chairman of the Board.

The Company also entered into an employment contract with its President and CEO, Mr. Yves Simard, for an unlimited period, which covers the general terms of his employment, namely his duties, his place of work, his loyalty obligation towards the Company, confidentiality and non-competition provisions, non-solicitation of customers or employees, salary, bonus, options, and vacation. See “Compensation of Executive Officers”.

If the Company terminates Mr. Simard's contract without just cause or if Mr. Simard terminates his own contract within 90 days of a change in control of the Company, Mr. Simard will be entitled to receive a lump sum ranging from the equivalent of six months to a full year's salary, based on his termination date; his stock options will also become vested.

Report on the Remuneration of the Executive Officers

Composition of the Corporate Governance and Human Resources Committee

As of May 6, 2008, the Corporate Governance and Human Resources Committee consisted of three Directors, namely Mr. Mardiros Ounanian, Ms. Melinda Lee and Mr. Scott Leckie (Committee Chair). Since Mr. Jeff Larsen resigned from the Committee Chair and as Director on January 29, 2008; Mr. Scott Leckie was nominated as Committee Chair on April 14, 2008 and Mr. Ounanian was nominated as a Committee Member on April 14, 2008. The Board ruled that all the Committee Members are independent.

Establishment of Remuneration

The main responsibilities of the Corporate Governance and Human Resources Committee consist of carrying out its duties to hire, evaluate, remunerate and plan the release of senior management and Directors.

The remuneration policy for the Executive Officers of the Company aims to compensate them at a level that is generally comparable to compensation granted in other Canadian retail sector companies with annual revenue of approximately \$40 million and comparable geographical reach. In establishing the total remuneration, the Committee also takes into account the overall financial return of the Company as well as the efficiency of the individual in exercising his/her duties.

This policy gives significant weight to the variable payment (annual premium and long-term incentive plan) with the aim of encouraging the creation of value for shareholders, thus linking the interests of senior management with those of shareholders.

The remuneration policy includes the following elements:

- A cash payment which includes the base salary and the annual bonus,
- A long term incentive plan,
- A set of benefits offering protection in case of illness, incapacity or death, and
- A group of additional benefits competitive with current market practices.

The remuneration of senior management is reviewed annually to allow the Company to remain competitive; the compensation takes into account their responsibilities, their skills and their continued performance.

Base Salary

The base salary takes into consideration size of the Company, the financial and strategic impact of the position, the personal contribution of the individual, and the fairness compared to other positions within the Company. The base salaries are generally competitive with regards to companies of similar size and reach.

Annual Bonus

The short-term incentive plan, as it was defined in December 2006, is linked to the financial performance of the Company, and aims to encourage senior management to surpass the financial returns established in the annual business plan. The annual bonus is linked to the Company's business plan, which is established

annually and which fixes financial return objectives; a target bonus is fixed as a percentage of the base salary for results deemed to meet or exceed expectations, while there is no payment if the results are below the minimum return threshold.

Long-term Incentive Plan

The long-term incentive plan aims at aligning the interests of senior management with those of the shareholders, as well as attracting and retaining key staff and enabling senior managers to participate in the long-term growth of the Company.

The long-term incentive plan consists of options to purchase shares of the Company. Options are granted at the time of hiring, upon promotion or during an annual review; the number of options granted varies according to the individual's position within senior management.

Remuneration of the President and Chief Executive Officer

The remuneration of the President and CEO is reviewed annually by the Corporate Governance and Human Resources Committee, which presents its recommendations in this respect to the Board. The base salary of the President and CEO is based on factors related to the Canadian retail market and the committee's evaluation of the President and CEO's performance with respect to the Company's profitability and the progress made as far as its strategic objectives are concerned.

Approximately half of the President and CEO's cash remuneration consists of a variable amount which is paid when his performance indicators have been achieved. As such, the President and CEO is entitled to an annual premium, the target bonus of which represents 30% of his base salary. To qualify for the annual premium, the President and CEO must at least deliver the minimum return threshold of 100% of the Company's EBITDA objective. Once this minimum threshold has been reached, the bonus is calculated according to the target bonus and the following indicators of performance: the EBITDA, worth 50% of the target bonus, and the sales, worth 50% of the target bonus.

Depending on whether the Company achieves or exceeds (in whole or in part) the objectives established for each performance indicator, the President and CEO receives between 15% and 60% of his base salary as an annual bonus.

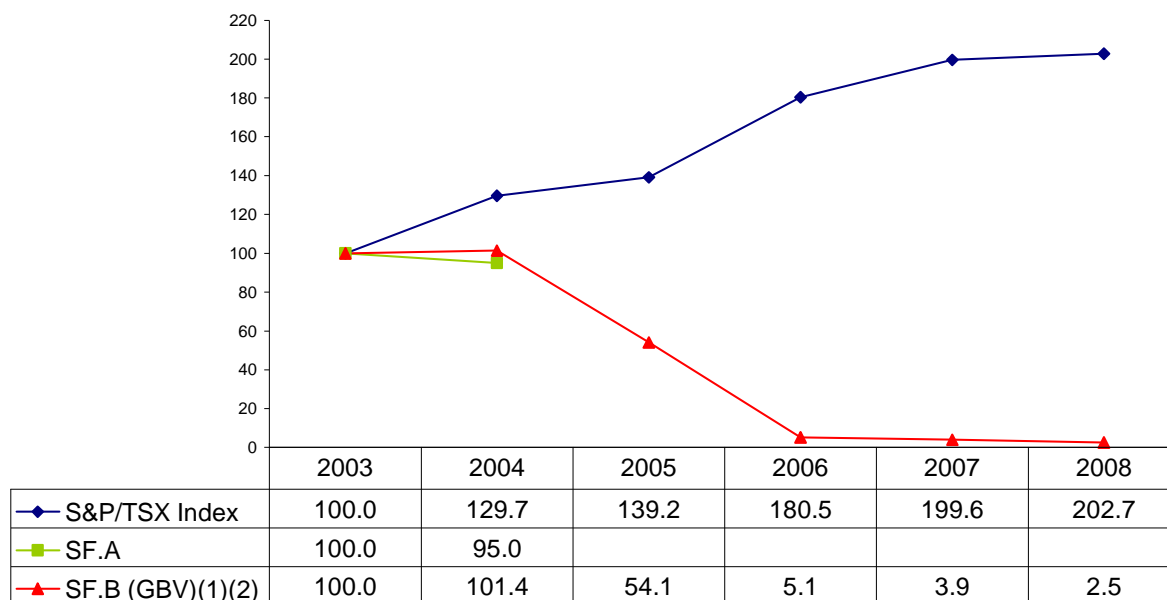
As stipulated in the employment contract concluded in December 2006 between the Company and Mr. Yves Simard, the Company granted him, in February 2007, 1,000,000 stock options, exercisable over three years at the rate of one-third per year, beginning January 2008. On April 29, 2008, the Company granted him an additional 1,000,000 stock options.

For the Corporate Governance and Human Resources Committee:

- Scott Leckie (Chair)
- Melinda Lee
- Mardiros Ounanian

Performance Graph

The following performance graph illustrates the five-year cumulative total return of a \$100 investment in Class A Multiple Voting Shares, Class B Subordinate Voting Shares and, since August 2, 2004, in common shares of the Company as compared to the cumulative five-year return of the Toronto Stock Exchange S&P/TSX Composite Index (formerly known as the TSE 300).



Notes:

- 1) The common shares of the Company are the continuation of its Class A and Class B shares.
- 2) Following the change of corporate name to “Groupe Les Ailes de la Mode inc.” and subsequently to “Groupe Bikini Village inc.”, the Toronto Stock Exchange allowed the Company to change its stock symbol from "SF.B" to "MOD", and then to "GBV" for its common shares traded on the Toronto Stock Exchange. The symbol "GBV" has been in use since January 24, 2006.

Directors and Officers Liability Insurance

The Company maintains liability insurance to protect its Directors and officers against any liability incurred during their mandate. The contract provides for an overall limit of \$7 million of coverage per year with a deductible of \$100,000 per claim.

The total premium paid during the period ending February 2, 2008 was \$48,000.

DISCLOSURE ON CORPORATE GOVERNANCE

The Board, in collaboration with the Corporate Governance and Human Resources Committee, stays aligned with the evolution of the practices in corporate governance and the requirements of regulatory bodies in this respect. The Company is committed to complying with high standards concerning all facets of its activities, including its corporate governance practices. The Board is of the opinion that good practices in corporate governance are essential to the success of the Company and to the enhancement of the value it offers its shareholders.

The Company follows the rules adopted by the Canadian Securities Authorities, *National Instrument 58-101- Disclosure of Corporate Governance Practices* (“NI 58-101”), which came into effect on

June 30, 2005 and effectively replaced the corporate governance guidelines and disclosure policies of the Toronto Stock Exchange. Under NI 58-101, the Company is required to disclose certain information relating to its corporate governance practices. This information is set out in Schedule A to this Proxy Circular, and describes the Company's current practices with respect to corporate governance, following the Governance Disclosure Guidelines under NI 58-201.

The Company undertook a number of initiatives to improve the Company's corporate governance practices. The Company:

- Implemented a process for evaluating the Board, its Chair, the committee chairs and Directors;
- Adopted a Disclosure Policy, and a Policy related to insider trading in the Company's securities and use of privileged information;
- Adopted written descriptions of the functions of the Chairman of the Board and the President and CEO;
- Adopted written descriptions of the functions of the chairs of the Audit Committee and the Corporate Governance and Human Resources Committee;
- Revised the Code of Conduct of the Company, the mandate of the Board, the mandate of the Audit Committee and the mandate of the Corporate Governance and Human Resources Committee;
- Held regular meetings involving independent Directors.

OTHER INFORMATION

Audit Committee

For information concerning the composition of the Company's Audit Committee, the Audit Committee's charter, as well as fees paid to the auditors of the Company and other related subjects, please consult the Company's Annual Information Form for the fiscal year ended February 2, 2008.

Additional Documentation

The Company is a reporting issuer in Quebec and in Ontario, and is therefore required to file financial statements, a Proxy Circular and an Annual Information Form with the appropriate securities regulatory authorities. Copies of these documents may be obtained upon request from the Secretary of the Company or on the Internet at the following address: www.sedar.com. The Company may require the payment of a reasonable fee if the request is made by someone other than a security holder of the Company, unless the Company is in the course of a distribution of its securities pursuant to a short form prospectus, in which case these documents will be provided free of charge. The financial information pertaining to the Company is represented in the audited annual financial statements and in the MD&A for the fiscal year ended February 2, 2008.

Other Matters

Unless otherwise indicated, the information contained herein is given as of May 6, 2008. The management of the Company knows of no other matters to come before the Meeting other than those referred to in the notice of such Meeting. Should other matters unknown at this time come before the Meeting, the voting rights conferred by the enclosed form of proxy will be exercised at the discretion of the person exercising such voting rights pertaining to such matters.

Receipt of Motions from Shareholders for the Next Annual General Meeting

Shareholders with voting rights at the next Annual General Meeting of the Company and wishing to submit a motion regarding any issue to be debated during that meeting must submit their motions to the Corporate Secretary no later than February 5, 2009.

Approval of Management Proxy Circular

The content of this Management Proxy Circular, as well as delivery thereof to the shareholders, has been approved by the Board.

Boucherville, Quebec, May 6, 2008

Chairman of the Board

President and CEO

(s) Mardiros Ounanian

(s) Yves Simard

Mardiros Ounanian

Yves Simard

SCHEDULE A

CORPORATE GOVERNANCE DISCLOSURE

Governance Disclosure Guideline under NI 58-101

Comments

1. Board of Directors

- a. Disclose the identity of Directors who are independent.
- b. Disclose the identity of Directors who are not independent, and describe the basis for that determination.
- c. Disclose whether or not a majority of Directors are independent. If a majority of Directors is not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.
- d. If a Director is presently a Director of any other issuer that is a reporting issuer (or equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Director and the other issuer.
- e. Disclose whether or not the independent Directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent Directors hold such meetings, disclose the number of meetings held during the preceding 12 months. If the independent Directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent Directors.
- f. Disclose whether or not the Chair of the Board is an independent Director. If the Board has a Chair or Lead Director who is an independent Director, disclose the identity of the independent Chair or Lead Director, and describe his or her role and responsibilities. If the Board has neither a Chair who is independent nor a Lead Director who is independent, describe what the Board does to ensure leadership for its independent Directors.
- g. Disclose the attendance record of each Director for all Board meetings held since the beginning of the issuer's most recently completed financial year.

The Board of Directors (the "Board") is currently comprised of five members, four of whom are independent and one of whom is not. Four of the current Directors are considered "independent Directors": Mr. Mardiros Ounanian, Mr. Scott Leckie, Ms. Melinda Lee, and Mr. Joe Marsilii.

Mr. Paul Delage Roberge, former Chairman of the Board, is not considered an "independent Director", since he receives annual honoraria of \$200,000 from the Company.

The Board considers that a majority of the people who served as Directors during the last twelve months were independent Directors.

The following Directors currently serve on the Boards of the reporting issuers listed below:

Mr. Joe Marsilii : TransForce Income Fund

Ms. Melinda Lee : Shermag Inc.
General Donlee Income Fund
Royal Host Real Estate Investment Trust

During the previous year, there were two meetings of the independent Directors without the presence of senior management, per the Board of Directors' Mandate.

The Chairman of the Board was not independent until August 1, 2007. However, since all the other Directors were independent and meetings of the independent Directors were held regularly without the presence of senior management before that date, the Company believes that the independent Directors therefore effected control of the Board.

The Chairman of the Board since August 1, 2007, Mr. Mardiros Ounanian, is an independent Director.

The attendance record of each Director for all Board meetings held since the beginning of the fiscal year ended February 2, 2008 is set out in this Proxy Circular on page 6.

2. Mandate of the Board of Directors

Provide the text of the Board written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

The Board has adopted a Mandate in which it explicitly acknowledges responsibility for the stewardship of the Company. The Mandate of the Board can be found in Schedule B to this Circular.

3. Position Descriptions

a. Disclose whether or not the Board has developed written position descriptions for the Chair and the chair of each Board committee. If the Board has not developed written position descriptions for the Chair and / or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.

On December 6, 2006, the Board approved the Corporate Governance and Human Resources Committee's position descriptions regarding the roles of the Chair of the Board, the chair of the Audit Committee and the chair of the Corporate Governance and Human Resources Committee.

The Chairman of the Board is responsible for the operation of the Board. He ensures that the Board fully executes its Mandate and that the Directors clearly understand and respect the boundaries between the responsibilities of the Board and the responsibilities of Management.

According to the position description for each Board committee chairman, the principal role of the committee chairman is to ensure that his committee fully executes its mandate. A committee chairman must report on a regular basis to the Board regarding the activities of his committee.

b. Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

A position description for the President and Chief Executive Officer was provided by the Corporate Governance and Human Resources Committee and adopted by the Board on April 16, 2007. The President and CEO is primarily responsible for the management and execution of the Company's strategic and operational plan.

4. Orientation and Continuing Education

a. Briefly describe what measures the Board takes to familiarize new Directors regarding (i) the role of the Board, its committees and its Directors, and (ii) the nature and operation of the issuer's business.

The Board ensures that each new candidate for the position of Director has the ability, expertise, availability and knowledge necessary to perform these duties adequately. Wherever necessary, the Company offers an orientation and education program for new recruits to the Board. Each new member receives a copy of the Board of Directors Mandate.

b. Briefly describe what measures, if any, the Board takes to provide continuing education for its Directors. If the Board does not provide continuing education, describe how the Board ensures that its Directors maintain the skill and knowledge necessary to meet their obligations as Directors.

The Board meetings and Board committee meetings in which Directors participate, as well as discussions with senior management, allow the Directors to quickly familiarize themselves with the Company's operations and positioning, and thereby gain the knowledge necessary to meet their obligations as Directors.

The Corporate Governance and Human Resources Committee is responsible for developing orientation programs and continuing education intended for the Directors, as required.

5. Ethical Business Conduct

a. Disclose whether or not the Board has adopted a written code for the Directors, officers and employees. If the Board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed fiscal year that pertains to any conduct of a Director or executive officer that constitutes a departure from the code.

The Company expects all of its Directors, officers and employees to comply with the laws and regulations governing its conduct, and further is committed to promoting integrity and respecting the highest standard of ethical conduct in all of its activities. A Code of Conduct applicable to the Directors, officers and employees was prepared by the Corporate Governance and Human Resources Committee and was adopted by the Board, as of October 3, 2006. The Human Resources Supervisor reports any breaches of the Code of Conduct which are reported to her via the telephone line specifically intended for that purpose, as well as the actions taken by the Company, to the Corporate Governance and Human Resources Committee. The Board will be notified of any breach of the code. A copy of the code is available to employees on the Company's Intranet site, and can be obtained by writing to the Company's head office. It is also available at www.sedar.com and www.bikinivillage.com.

Governance Disclosure Guideline under NI 58-101

- b. Describe any steps the Board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.
- c. Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

6. Nomination of Directors

- a. Describe the process by which the Board identifies new candidates for Board nomination.
- b. Disclose whether or not the Board has a Nominating Committee composed entirely of independent Directors. If the Board does not have a Nominating Committee composed entirely of independent Directors, describe what steps the Board takes to encourage an objective nomination process.
- c. If the Board has a Nominating Committee, describe the responsibilities, powers and operation of the Nominating Committee.

7. Compensation

- a. Describe the process by which the Board determines the compensation for the issuer's Directors and officers.

Comments

If a Director is in a situation of conflict of interest during any discussions occurring at a meeting of the Board or one of its committees, he must declare his interest and withdraw from the meeting so as not to participate in the discussions or in any decisions which may be made.

The Board expects Directors, officers and employees of the Company to act ethically at all times.

The Board has approved a *Policy Related to Insider Trading of the Company's Securities and Use of Privileged Information* which reminds Directors, senior executives and designated employees of the Company who have access to confidential information likely to affect the market price or value of the Company's securities or of any third party to significant negotiations, that they may not trade in shares of the Company or of the other firms involved as long as the information has not been fully made public and as long as a reasonable period of time has not elapsed since the public disclosure. Furthermore, the Directors and senior executives of the Company and all other persons who are insiders of the Company may not trade in securities of the Company during certain periods set forth in the said policy.

The Board has also approved a Disclosure Policy whose objective is to ensure that disclosure to the investing public regarding the Company is made in a timely manner, in keeping with the facts, accurately and widely, in accordance with the applicable statutory and regulatory requirements.

In accordance with the Corporate Governance and Human Resources Committee Charter, the committee shall (i) evaluate the size and composition of the Board to assure the efficiency of the decision-making process, (ii) evaluate and review the Director selection criteria by regularly evaluating the competencies, personal qualities, business background and diversified experience of Board members as well as the Company's needs, and (iii) identify candidates having the necessary competencies and recommend these candidates to the Board with a view to their election at the next Annual General Meeting of Shareholders.

The Corporate Governance and Human Resources Committee is composed of three independent Directors.

See 6a)

The Corporate Governance and Human Resources Committee's mandate requires it to consider the remuneration of the Company's Directors and officers and submit its recommendations for final approval to the Board.

Governance Disclosure Guideline under NI 58-101

b. Disclose whether or not the Board has a Compensation Committee composed entirely of independent Directors. If the Board does not have a Compensation Committee composed entirely of independent Directors, describe what steps the Board takes to ensure an objective process for determining such compensation.

c. If the Board has a Compensation Committee, describe the responsibilities, powers and operation of the Compensation Committee.

d. If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed fiscal year, been retained to assist in determining compensation for any of the issuer's Directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

8. Other Board Committees

If the Board has standing committees other than the Audit, Compensation and Nominating Committees, identify the committees and describe their function.

9. Assessments

Disclose whether or not the Board, its committees and individual Directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual Directors are performing effectively.

Comments

The Corporate Governance and Human Resources Committee mandate indicates that the committee must be composed of three independent Directors.

The Committee consists of the following independent Directors:

Chair : Mr. Scott Leckie
Members : Ms. Melinda Lee
Mr. Mardiros Ounanian

The Corporate Governance and Human Resources Committee annually reviews the compensation of Directors and officers, to ensure that it is adequate and that it reflects the responsibilities associated with carrying out each respective position.

No consultant or advisor was retained during the most recently completed fiscal year.

The Company's Board has no committees other than the Audit Committee and the Corporate Governance and Human Resources Committee.

By virtue of its mandate, the Corporate Governance and Human Resources Committee is responsible for developing and monitoring a suitable procedure for periodically evaluating the efficiency and contribution of the Board, its committees, its Chairs and its members. The Chair of the Corporate Governance and Human Resources Committee is the person responsible for this procedure. Given the arrival of many new directors at the last annual meeting, the Board has focused on their orientation and not on its evaluation process.

The evaluation process includes a questionnaire that is given to the members of the Board, which involves a wide range of subjects and allows the members to make comments and suggestions. The Chair of the Corporate Governance and Human Resources Committee compiles the answers and communicates with each member. The Chair then prepares a comprehensive report, which he discusses with the Chairman of the Board and the Chairs of the Board committees, and then presents to the Board.

SCHEDULE B

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the “Board”) of Groupe Bikini Village inc. (the “Company”) is responsible for supervising the management of the Company’s business and internal affairs, with the objective of enhancing shareholder value. The Board is responsible for the proper management of the Company, and must therefore effectively and independently supervise the activities and affairs of the Company, the day-to-day management of which is conducted by senior management. The Board may delegate certain tasks to committees of the Board; this delegation does not release the Board from fulfilling its general responsibilities with respect to the management of the Company.

All decisions made by the Board must be in the best interests of the Company.

COMPOSITION AND QUORUM OF THE BOARD

The by-laws of the Company require that the Board be composed of a minimum of three (3) and a maximum of eleven (11) Directors; however, the relevant securities authorities require that the Board be comprised, at all times, of a minimum of five (5) Directors.

The Board must deem a majority of the Directors independent¹, as defined by the applicable laws and regulations; the Board reviews the independence status of each Director annually. At the Annual Meeting, the Directors are elected for a period of one year; over the course of their mandate, Directors may nominate other Directors to replace them during vacation periods.

Every member of the Board possesses the competencies and aptitudes relevant to their position as Director. The composition of the Board reflects a diversity of skills and experience in the Company’s areas of activity, which permits the Board to be efficient in responding to the specific needs of the Company. The Board must nominate its Chair from among the Directors of the Company.

The Corporate Governance and Human Resources Committee is comprised entirely of independent members. This Committee maintains an overall perspective on the appropriate number of Board members, on the necessity of appointing new members, and on the experience required of new candidates. This Committee also reviews any candidates for the position of Director and presents its recommendations in this regard to the Board. The Board approves the final selection of candidates to be proposed to and elected by the shareholders.

A majority of Committee members shall constitute a quorum of a meeting of the Board.

¹ A Director is deemed independent if he has no significant relationship, direct or indirect, with the Company, i.e., if he has no relationship which the Board can reasonably expect will affect his independent judgement.

RESPONSIBILITIES OF THE BOARD

The Board has the following responsibilities:

A) Concerning Strategic Planning

1. Annually review and approve the Company's overall budget and strategic plan.
2. Examine and, at the Board's discretion, approve all of the Company's strategic decisions, specifically when the purchase or sale of shares, assets or companies exceeds management's pre-approved signing authority.

B) Concerning Human Resources and Performance Evaluation

1. Appoint the President and Chief Executive Officer.
2. Approve the appointment of the other members of senior management.
3. Ensure that the Corporate Governance and Human Resources Committee evaluates the performance of both the President and Chief Executive Officer and members of senior management annually, taking into account the Board's expectations and the established objectives.
4. Ensure that a succession planning process for senior management is in place.

C) Concerning Finances and Internal Controls

1. Ensure the integrity and quality of the financial statements of the Company and the adequacy of disclosed information.
2. Review and approve interim and annual financial statements and the Company's MD&A. Review the related press release.
3. Approve operational and fixed asset budgets, the issue of securities, and, subject to limitations prescribed by the Board, any transaction outside the normal course of business, including merger or acquisition propositions, or other significant transactions such as acquisitions or divestitures.
4. Define the Company's dividend policies, and declare dividends as appropriate.
5. Ensure that the appropriate procedures are in place in order to identify business risks and business opportunities, and supervise the implementation of procedures to manage these risks and opportunities.
6. Oversee the Company's internal controls and management information systems.
7. Ensure that the Company is in compliance with applicable regulatory and legal requirements.
8. Review the Company's disclosure policy as required; oversee the Company's interaction with analysts, investors and the public, and ensure that measures are in place to receive investor comments.

D) Concerning Corporate Governance

1. Ensure that senior management operates the Company proficiently and within the bounds of applicable laws, including the timely communication of material information on the Company and regulatory statements.
2. Periodically review the Company's corporate governance structures and procedures.
3. Adopt a Code of Conduct that applies to the Directors, officers and employees, and re-assess it as required. Ensure compliance with the Company's Code of Conduct.

4. With the prior authorization of the Chair of the Corporate Governance and Human Resources Committee, each member of the Board may, as required, retain the services of external consultants, at the cost of the Company.
5. Review the membership of the Board committees and designate their Chairs annually. Annually review the mandates of the Board committees, as well as the mandates of the Chairs of the Board committees.
6. Approve the list of candidates for membership on the Board and recommend such candidates to the shareholders for election.
7. Annually establish which Directors are designated independent Directors, according to the laws and regulations concerning the independence of Directors.
8. Review and approve the Annual Information Form and the Management Proxy Circular, as well as any other documents requiring its approval.
9. Ensure that the Directors receive all the necessary support in fulfilling their roles.
10. Review and approve the recommendations of the Corporate Governance and Human Resources Committee with respect to compensation of the Directors, members and Chairs of the committees of the Board, as well as the method of compensation.
11. The Corporate Governance and Human Resources Committee shall take all necessary measures to periodically review the effectiveness of the Board, the committees of the Board, the Chair of the Board, the Chairs of the committees and each member of the Board.
12. The Company shall make available to the members of the Board an orientation program, which shall include information about its activities, operations, current issues and strategies. The members of the Board shall receive written documentation and shall have the opportunity to meet with senior management.

OPERATING PROCEDURES OF THE BOARD OF DIRECTORS

1. The Board Meetings shall be held quarterly or more frequently, if necessary.
2. The Chairman of the Board, together with the President and Chief Executive Officer and the Secretary, will set the agenda at every meeting. The agenda and all pertinent documents must be sent to the Directors well in advance of each meeting.
3. The Directors may meet without the presence of senior management or non-independent Directors after each Board meeting or after any Board meeting as they deem necessary.

**Adopted by the Board of Directors of the Company on December 6, 2006
Revised by the Board of Directors of the Company on May 6, 2008**

GROUPE
Bikini Village
 inc.