

EMPLOYMENT LETTER (R&D Manager)

(Mode of forwarding)

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.....
....., (Quebec)
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Object: TERMS OF EMPLOYMENT AS R&D MANAGER

Dear Sir/Madam,

This letter confirms the terms of your employment with..... (*identification of the employer*) (hereinafter the "Corporation") as R&D Manager. To confirm your acceptance of these terms, please sign one copy of this letter where indicated below and return it to us by.....

1.00 EMPLOYMENT

1.01 Duties

As R&D manager, you are responsible, without limitation, for the following tasks:

- (a) lead the development of research aimed at improving current products and generating new products and services and coordinate the activities of other research workers;
- (b) design, built and oversee the evaluation of prototype parts and methods;
- (c) establish priorities for R&D projects and monitor expenditures and progress toward goals;
- (d) manage products development process;

- (e) interpret the results of research projects and recommend new products or services;
- (f) publish results of significant research projects;
- (g) lead and manage a team of highly skilled professionals;
- (h) establish technical standards and ensure adherence to them for product development and company operations;
- (i) apply for and manage patent applications;
- (j) recruit and train personnel of the department;
- (k) perform any other duty entrusted to you by the Board of Directors.

1.02 Reporting

You shall report to the board of directors, whenever called upon to do so, or promptly whenever you become aware of facts or circumstances that the latter needs to know.

1.03 Workplace

When you are not traveling in the performance of your duties for the Corporation, your principal workplace is located at the head office of the latter or at any place of business that the Corporation may establish at any time during your employment period.

1.04 Condition

As a condition of your employment and in consideration for the compensation and benefits to be received by you, it is essential that you sign the attached (list of documents regarding confidentiality, ethics, etc.) prior to the commencement of your employment.

2.00 COMPENSATION AND BENEFITS

2.01 Signing Bonus

As an inducement to join the Corporation you shall be paid, as a signing bonus, the amount of DOLLARS (\$).

2.02 Base Salary

2.02.01 Initial

The Corporation shall pay you a yearly base salary, for the first year, of DOLLARS (\$) payable on a basis, in (.....) equal and consecutive installments of DOLLARS (\$) each.

2.02.02 Adjustment

This base salary shall be increased each year by an amount at least equivalent to the increase in the Consumer Price Index (CPI) in Canada in the region of, and by an additional amount which reflects the merit to which you are entitled, at the discretion of the Corporation. The salary increase will be granted within FOUR (4) months from the end of each financial year of the Corporation and will be effective from the beginning of the financial year to which it applies. The financial year of the Corporation presently ends on the last day of the month of

2.03 Performance Bonus

V1 In addition to the base salary set out in Section 2.02, you are also entitled to receive at the end of each fiscal year, a performance bonus, the amount of which is established according to the following formula:

(state bonus formula)

This performance bonus is payable no later than (.....) days following the end of each fiscal year or, as the case may be, at the end of your employment, in accordance with the provisions of Part 2.02 of this letter.

OR

V2 In addition to the base salary set out in Section 2.02, you are also entitled to receive at the end of each fiscal year, a performance bonus established according to the earnings of the Corporation. To that end, you are entitled to an amount equal to PERCENT (..... %) of the yearly earnings that are over and above the forecasted earnings set out in the annual budget of the Corporation.

2.04 Stock Option

2.04.01 Grant

In order to interest you in the business of the Corporation, we hereby grant you an option to purchase (.....) shares of Class “...” of the Corporation capital stock for a price of DOLLARS (...\$) per share.

2.04.02 Term