

Audit Committee Charter

1. Mission

Senior management, as overseen by the board of directors, has primary responsibility for the Corporation's financial reporting, accounting systems and internal controls. The audit committee is a standing committee of the board of directors established to assist the board of directors in fulfilling its responsibilities in this regard.

2. Responsibilities

The audit committee shall:

(a) Financial Information

- (i) review the annual financial statements and related matters and recommend their approval to the board of directors, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with management;
- (ii) review the annual information form, if applicable;
- (iii) be responsible for reviewing the results of the external audit, including:
 - A. the auditor's engagement letter;
 - B. the reasonableness of the estimated audit fees;
 - C. the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with internal audit;
 - D. the post-audit management letter together with management's response;
 - E. the form of the audit report;
 - F. any other related audit engagements (e.g. audit of the company pension plan);
 - G. non-audit services performed by the auditor;
 - H. assessing the auditor's performance;
 - I. recommending the auditor for appointment by the board of directors; and
 - J. meeting with the auditors to discuss pertinent matters, including the quality of accounting personnel;
- (iv) ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements (except for disclosure required to be reviewed by the audit committee), and must periodically assess the adequacy of those procedures;
- (v) establish procedures for:
 - A. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

- B. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (vi) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

(b) Interim Financial Statements

- (i) obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external and internal auditors;
- (ii) review and approve the interim financial statements of the Corporation and management's discussion and analysis related thereto when the same is not undertaken by the board of directors; and
- (iii) obtain reasonable assurance from management about the process for ensuring the reliability of other public disclosure documents that contain audited and unaudited financial information.

(c) Accounting System and Internal Controls

- (i) obtain reasonable assurance from discussions with and/or reports from management, and reports from external and internal auditors that the Corporation's accounting systems are reliable and that the prescribed internal controls are operating effectively;
- (ii) direct the auditors' examinations to particular areas;
- (iii) request the auditors to undertake special examinations (e.g., review compliance with conflict of interest policies);
- (iv) review control weaknesses identified by the external and internal auditors, together with management's response;
- (v) review the appointments of the chief financial officer and key financial executives; and
- (vi) review accounting and financial human resources and succession planning within the corporation.

(d) Reporting

- (i) report to the board of directors following each meeting on the major discussions and decisions made by the audit committee; and
- (ii) review the audit committee's terms of reference periodically and propose recommended changes to the board of directors.

3. Composition and Regulations

- (a) The audit committee shall be composed of at least three directors. The members and the chairperson of the audit committee shall be appointed by the board of directors for a one-year term and may serve any number of consecutive terms.
- (b) The chairperson of the audit committee shall, in consultation with management and the auditors, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.

- (c) The audit committee shall have the power, authority and discretion delegated to it by the board of directors which shall not include the power to change the membership of or fill vacancies in the audit committee.
- (d) The audit committee shall conform to the regulations which may from time to time be imposed upon it by the board of directors. The board of directors shall have the power at any time to revoke or override the authority given to or acts done by the audit committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the audit committee or fill vacancies in it as it shall see fit.
- (e) The audit committee may meet and adjourn, as they think proper. A majority of the members of the audit committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the audit committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.
- (f) A resolution approved in writing by all of the members of the audit committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the audit committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.
- (g) The audit committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the board of directors.
- (h) The audit committee shall have unrestricted and unfettered access to all Corporation personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.