



## **AUDIT COMMITTEE CHARTER**

### **PURPOSE**

The purpose of the Audit Committee will be to:

- Provide independent review and oversight of the Company's financial reporting process and continuous disclosure risks.
- Management of the audit process including selection recommendation, oversight and compensation of the Company's external auditors.
- Provide oversight of the company's risk management , its principal business risks and its internal control of financial reporting
- Carry out oversight responsibilities respecting compliance with tax, securities and other applicable laws and regulations as well as ethics, the code of conduct and the whistle-blower policy;

### **COMPOSITION**

The Committee will be comprised of a minimum of three directors as designated by the Board of directors.

Each Committee member shall be elected annually from among Board members at the first Board meeting following the annual general meeting of shareholders or at such other time as the Board may determine. Following such election each Committee member shall hold office for the ensuing year or until the member resigns, is removed by the Board or ceases to be a Director. The Board may at any time change the composition of the Committee by adding or removing members and may fill a vacancy when a Committee member resigns, is removed or for any other reason.

Each Committee member shall be independent as determined by the Board and in accordance with governing corporate and securities laws and applicable stock exchange standards.

All members of the Committee shall be financially literate within the meaning of the applicable securities laws. At least one member of the Committee shall be financially sophisticated which could include a professional accounting designation or past experience in accounting or finance.

The Board shall appoint the Committee Chair and the Secretary of the Company shall be the Committee Secretary.

## **MEETINGS**

1. The Committee will meet as frequently as necessary as determined by the Committee Members and Committee Chair in order to fill the responsibilities described below and in any event at least 4 times per year.
2. A quorum for a meeting of the Committee shall be a majority of Committee members. No Committee meeting shall be duly constituted and no Committee business shall be transacted at a meeting unless a majority of the members of the Committee are present. The Committee may also act by unanimous written consent of each of its members.
3. Meeting Agendas will be prepared by the Chair and provided in advance to Committee members along with appropriate briefing materials.
4. The Chief Executive Officer shall be available to advise the Committee, shall receive notice of all Committee Meetings and may attend meetings at the invitation of the Committee Chair. Any Company Director may attend meetings at the Chair's invitation but may not vote and may not be included for the purposes of quorum requirement.
5. The proceedings at the Committee meetings will be recorded in minutes of the Committee and after each meeting, the Committee Chair shall report at the Board's next meeting or otherwise respecting the matters discussed, recommendations and resolutions made and actions taken at the Committee meeting.
6. The Committee may make such procedures and rules as it deems appropriate including rules relating to the holding of meetings in person, by telephone or, if consented to by other Committee members, through the use of any other communication medium which allows all members attending the meeting to hear each other.
7. The Committee may engage outside consultants to advise in matters relating to its mandate at the Company's expense, without the prior approval of the directors of the Company and after consultation with CEO.

## **CHAIR**

The Chair of the Committee shall have the duties and responsibilities set forth in Appendix "A".

## **RESPONSIBILITIES AND DUTIES**

The Committee shall have the following responsibilities:

1. Review and update the Charter periodically.
2. Oversight of the Company's financial reporting process and continuous disclosure.
  - Review the Company's annual and quarterly financial statements and accompanying MD&A .
  - Monitor financial information that is disseminated to the public or regulatory bodies.
  - Review the annual budget process and adherence thereto.

3. Oversight of risk management and control.

- Identify the principal business risks to the company
- Monitor and review the company's risk management
- Review internal control over financial reporting and disclosure control
- Monitor financial statement risk

4. Oversight of external audit activities

- Review annually the performance of the external auditors.
- Review and approve the Audit Plan and Engagement Letter as presented by the external auditors.
- Confirm the independence of external auditors.
- Meet with external auditors to review the results of the annual audit.
- Review the compensation of external auditors.
- Be advised of and approve any non-audit services provided by external auditors.
- Recommend to the Board the selection, and where applicable, the replacement of the external auditors nominated annually for shareholder approval.

5. Oversight of other responsibilities

- Monitor compliance with tax and securities laws and regulations
- Manage the Whistle Blowing function
- Review corporate ethics and codes of conduct

Original Approval	2012
Last Review	2016
Approved by	Audit Committee/Board of Directors