



## ***Audit Committee Mandate***

*Adopted by the Board on February 24, 2020*

### 1. Purpose of the Audit Committee

- 1.1 The purpose of the Audit Committee is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the Company's financial statements and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material risks and facts. The Audit Committee also has the responsibility to identify and understand the principal risks to the Company and its business the Company and to report such risks to the Board to ensure there are systems in place to effectively monitor and manage those risks with a view to the long-term viability of the Company and in order to achieve its long-term strategic objectives.
- 1.2 The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries.

### 2. Members of the Audit Committee

- 2.1 The Audit Committee shall be appointed annually by the Board and shall be composed of three members, each of whom must be a director of the Company and all of whom must be independent.
- 2.2 All members of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having the ability to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements, and at least one member shall have "accounting or related financial expertise".

### 3. Meeting Requirements

- 3.1 The Audit Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Audit Committee determines. Without a meeting the Audit Committee may act by unanimous written consent of all members.
- 3.2 Two members of the Audit Committee shall constitute a quorum.

### 4. Duties and Responsibilities

#### 4.1. *Appointment, Oversight and Compensation of Auditor*

##### 4.1.1. The Audit Committee shall recommend to the Board:

- a) the auditor (the "Auditor") to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- b) the compensation of the Auditor.

In making such recommendations, the Audit Committee shall evaluate the Auditor's performance and review the Auditor's fees for the preceding year.

##### 4.1.2. The Auditor shall report directly to the Audit Committee.

- 4.1.3 The Audit Committee shall be directly responsible for overseeing the work of the Auditor, including the resolution of disagreements between management and the Auditor regarding financial reporting.
- 4.1.4 The Audit Committee shall review information, including written statements from the Auditor, concerning any relationships between the Auditor and the Company or any other relationships that may adversely affect the independence of the Auditor and assess the independence of the Auditor. The Audit Committee shall request, on a periodic basis, a formal written statement from the Auditor delineating all relationships that may reasonably be expected to affect the independence of the Auditor with respect to the Company and shall recommend that the Board take appropriate action, where necessary, in response to the Auditor's report to satisfy itself of the Auditor's independence.
- 4.2. *Non-Audit Services*
  - 4.2.1 All auditing services and non-audit services provided to the Company or the Company's subsidiaries by the Auditor shall, to the extent and in the manner required by applicable law or regulation, be pre-approved by the Audit Committee. In no circumstances shall the Auditor provide any non-audit services to the Company that are prohibited by applicable law or regulation.
- 4.3. *Review of Financial Statements etc.*
  - 4.3.1 The Audit Committee shall review the Company's interim and annual financial statements and Management's Discussion and Analysis ("MD&A"), intended for circulation among shareholders and shall report any recommended changes to the Board.
  - 4.3.2 The Audit Committee shall satisfy itself that the audited financial statements and interim financial statements present fairly the financial position and results of operations in accordance with generally accepted accounting principles and that the auditors have no reservations about such statements.
  - 4.3.3 The Audit Committee shall review changes in the accounting policies of the Company, any new or pending developments in accounting and reporting standards, and accounting and financial reporting proposals that are provided by the Auditor that may have a significant impact on the Company's financial reports, and report on them to the Board.
- 4.4. *Review of Public Disclosure of Financial Information*
  - 4.4.1 The Audit Committee shall review the Company's annual and interim press releases relating to financial results before the Company publicly discloses this information and shall review any prospectus/private placement memorandums that contain financial information.
  - 4.4.2 The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection 4.4.1, and must periodically assess the adequacy of those procedures.
- 4.5. *Review of Annual Audit*
  - 4.5.1 The Audit Committee shall review the nature and scope of the annual audit, and the results of the annual audit examination by the Auditor, including any reports of the Auditor prepared in connection with the annual audit.
  - 4.5.2 The Audit Committee shall meet with the Auditor to discuss the Company's quarterly and annual financial statements and the Auditor's report including the appropriateness of accounting policies and underlying estimates.

- 4.5.3 The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect the audited financial statements.
- 4.5.4 The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect the audited financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.
- 4.5.5 The Audit Committee shall satisfy itself that there is generally a good working relationship between management and the Auditor.
- 4.6. *Review of Quarterly Review Engagements*
- 4.6.1 The Audit Committee shall review the nature and scope of any review engagements for interim financial statements, and the results of such review engagements by the Auditor, including any reports of the Auditor prepared in connection with such review engagements.
- 4.6.2 The Audit Committee shall satisfy itself that there are no unresolved issues between management and the Auditor that could affect any interim financial statements.
- 4.6.3 The Audit Committee shall satisfy itself that, where there are unsettled issues that do not affect any interim financial statements (e.g. disagreements regarding correction of internal control weaknesses, or the application of accounting principles to proposed transactions), there is an agreed course of action leading to the resolution of these matters.
- 4.7. *Internal Controls*
- 4.7.1 The Audit Committee shall have responsibility for oversight of management reporting and internal control for the Company and its subsidiaries.
- 4.7.2 The Audit Committee shall satisfy itself that there are adequate procedures for review of interim statements and other financial information prior to distribution to shareholders.
- 4.7.3 Review the effectiveness of the Company's policies and business practices which have an impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management.
- 4.7.4 Review compliance under the Company's Code of Business Conduct and Ethics, and the Anti-Corruption Policy
- 4.8. *Compliance*
- 4.8.1 The Audit Committee shall:
- a) Ensure that the Auditor's fees are disclosed by category in the Annual Information Form in compliance with regulatory requirements;
  - b) Disclose any specific policies or procedures the Company has adopted for pre-approving non-audit services by the Auditor including affirmation that they meet regulatory requirements;
  - c) Assist the Corporate Governance and Nomination Committee with preparing the Company's governance disclosure by ensuring it has current and accurate information on:

- (i) the independence of each Committee member relative to regulatory requirements for audit committees;
- (ii) the state of financial literacy of each Committee member, including the name of any member(s) currently in the process of acquiring financial literacy and when they are expected to attain this status; and
- (iii) the education and experience of each Committee member relevant to his or her responsibilities as Committee member;
- (iv) disclose if the Corporation has relied upon any exemptions to the requirements for audit committees under regulatory requirements

### 4.9. *Complaints and Concerns*

#### 4.9.1 The Audit Committee shall establish procedures for:

- a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### 4.10. *Hiring Practices*

#### 4.10.1 The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former Auditors of the Company.

### 4.11. *Other Matters*

#### 4.11.1 The Audit Committee shall be responsible for oversight of the effectiveness of management's interaction with and responsiveness to the Board;

#### 4.11.2 The Audit Committee shall review and monitor all related party transactions which may be entered into by the Company.

#### 4.11.3 The Audit Committee shall review with management, the Auditors and, if necessary, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company, and the manner in which these matters may be, or have been, disclosed in the financial statements.

#### 4.11.4 The Audit Committee shall approve, or disapprove, material contracts where the Board determines it has a conflict.

#### 4.11.5 The Audit Committee shall review insurance coverage of significant business risks and uncertainties.

#### 4.11.6 The Audit Committee shall review policies and procedures for the review and approval of officers' expenses and perquisites.

#### 4.11.7 The Audit Committee shall satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulations relating to insider trading, continuous disclosure and financial reporting.

#### 4.11.8 The Audit Committee shall periodically review the adequacy of this Charter and recommend any changes to the Board.

4.11.9 The Board may refer to the Audit Committee such matters and questions relating to the financial position of the Company and its affiliates as the Board from time to time may see fit.

### 5. Rights and Authority of the Audit Committee and the Members Thereof

5.1 The Audit Committee has the authority:

- a) To engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b) To set and require the Company to pay the compensation for any advisors employed by the Audit Committee; and
- c) To communicate directly with the Auditor and, if applicable, the Company's internal auditor.

5.2 The members of the Audit Committee shall have the right, for the purpose of performing their duties, to inspect all the books and records of the Company and its affiliates and to discuss those accounts and records and any matters relating to the financial position of the Company with the officers and Auditor of the Company and its affiliates, and any member of the Audit Committee may require the Auditor to attend any or every meeting of the Audit Committee.

### 6. Miscellaneous

6.1 Nothing contained in this Mandate is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Audit Committee. The purposes, responsibilities, duties and authorities outlined in this Mandate are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

6.2 The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on financial matters relative to the Company.