

Audit & Risk Committee Charter



May 2021

APPROVAL	
Approved By:	Board of Directors
Approval Date:	May 20, 2021
Responsible Person/Contact:	CFO
VERSION CONTROL	
Approved by: Audit & Risk Committee	May 20, 2021
Next Review Date:	Q1 2022

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AUDIT & RISK COMMITTEE CHARTER

PURPOSE

The Audit & Risk Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) and shall provide assistance to the Board in fulfilling its responsibility to the Company by serving as an independent monitor of the Company's financial reporting processes, risk management activities, systems of internal control and financial compliance. In addition, the Committee shall monitor the independence and performance of the external auditor. The Committee shall facilitate communication among the Organization's external auditor, the Board and senior and financial management. The Committee shall perform this function by carrying out the activities described in this Charter.

The Committee shall act as the Audit & Risk Committee of the Organization as required under the Business Corporations Act (Ontario) and the Securities Act (Ontario) (the “Acts”).

All members of the Committee shall have, or acquire within a reasonable period of time following their appointment, a broad understanding of the operating and financial affairs and related activities of the Company.

ACCOUNTABILITIES AND RESPONSIBILITIES

FINANCIAL STATEMENTS, FINANCIAL REVIEW AND DISCLOSURE

The Committee shall ensure that the Company adopts appropriate policies and procedures for the accuracy and integrity of its financial statements and returns and the timely reporting and disclosure of financial information to shareholders and regulators, including, but not restricted to, annual and quarterly financial statements, external auditor's opinions and reports, Management's Discussion and Analysis, annual and quarterly earnings press releases. The Committee shall review all financial statements, MD&A and news releases and make recommendations to the Board for its approval of such statements and documentation. The Committee will ensure adequate process and policies are in place regarding the public disclosure of financial information. The Chief Financial Officer, and external auditor, among others, shall be the principal resources available to the Committee.

RISK MANAGEMENT

The Committee shall ensure that the Company adopts appropriate policies and procedures to identify, assess and prioritize enterprise risk management issues, appetite and tolerance. This includes, but is not restricted to, the review and acceptance of regular and timely reports on the Company's coordinated resources to minimize, monitor and control the probability and/or impact of events or to maximize the realization of opportunities. The Committee shall review annually and recommend to the Board a Risk Appetite Framework. The Chief Financial Officer, among others, shall be the principal resource available to the Committee on risk management.

EXTERNAL AUDIT

The Committee is responsible for recommending to the board of directors the appointment and compensation of the external auditor. The Committee must pre-approve all non-audit services provided by the external auditor.

The Committee is directly responsible for overseeing the work of the external auditor.

The Committee shall be responsible for assessing the skills, resources and independence of the external

auditor, including the audit firm's internal policies and practices for quality control and shall be satisfied with the content of the auditor's plan, including the fee estimate and engagement letter prior to it being signed. This will include determining if any change is required to the auditor's proposed materiality level and scope. The Committee shall also consider areas of significant auditor judgement, key areas of risk for material misstatement of financial statements, significant or unusual transactions and enquire about internal control deficiencies and any disagreements with management. The auditor shall report on any non-audit services rendered to the Company and related fees. The Committee with management shall assess the overall results of the annual audit using predetermined criteria and recommend the appointment or reappointment of the auditor.

INTERNAL CONTROLS

The Committee shall be responsible for ensuring the Company adopts appropriate systems of internal control over the preparation of its financial statements and reporting requirements. The Committee shall review annually and recommend to the Board an Internal Control Framework. In addition, the Committee shall review and evaluate regular management reports on the effectiveness of internal controls and procedures including CEO and CFO certification requirements. Material control deficiencies shall be reported to the Committee until remedied. The Chief Financial Officer, among others, shall be the principal resources to the Committee on internal controls.

OTHER

The Committee shall review its Charter annually and recommend any changes to the Board for approval.

On a regular basis, the Committee shall meet privately with each of the Chief Financial Officer and the External Auditor.

The Board has delegated to the Committee primary responsibility for certain Board activities, policies and oversight functions. In that respect, the Committee has authority to review, amend and approve the policies and items listed in the attached Appendix "A" (the "Delegated Authority"). Any action taken by the Committee under the Delegated Authority is deemed to have been approved by the Board. The Committee may, if it deems necessary, recommend that the Board review and approve any item for which it has Delegated Authority. On a quarterly basis the Committee will advise the Board what actions were taken under the Delegated Authority.

MEMBERSHIP AND COMPANY

1. *Composition* - The Committee is a standing committee of the Board consisting of a minimum of three members, all of whom are non-management directors. The Committee shall be composed entirely of directors who are independent, as defined by section 1.4 of NI 52-110, and who satisfy all other applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee. At the invitation of the Committee, members of the Company's management and others may attend Committee meetings as the Committee considers necessary or desirable.
2. *Appointment* - The Committee comprises of the Chairperson of the Committee along with a minimum of two other members elected by the non-management directors on the Board. Each member of the Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of: (a) the close of the next annual meeting of shareholders of the Company, at which the member's term of office expires; (b) the resignation, disqualification or removal of the member from the Committee or from the Board. The Board may fill a vacancy in the membership of the Committee at any time.
3. *Chair* - At the time of the annual appointment of the members of the Committee, the Board shall appoint a Chair of the Committee. The Chair shall: preside over all Committee meetings; coordinate the Committee's compliance with this Charter; work with management to develop the Committee's meeting agendas and annual work plan; and provide reports on the work of the Committee to the

Board. The Chair of the Committee may vote on any matter requiring a vote and shall provide a second vote in the **case** of a tie vote.

4. *Independence* - Each member of the Committee shall meet the independence standards established by the Board and any additional standards required of a member of an audit committee under the Acts.
5. *Authority* - The Committee shall have unrestricted access to management and employees of the Company. The Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation for these advisors without consulting or obtaining the approval of the Board or any officer of Company. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.
6. *Delegation* - The Committee may designate a sub-committee to review any matter within this Charter as the Committee deems appropriate.
7. *Meetings* - The Committee will meet at least four times per year and as required to carry out its Charter responsibilities, and will meet at the request of the Board or management to review any proposed matters as required. The Chairman of the Committee may call a meeting of the Committee at any time. A majority of the members shall constitute a quorum to transact business at the meeting.

Notice of a meeting of the Committee shall be given to each member of the Committee. Notice of each meeting of the Committee shall be given to the Chairman of the Board who shall be entitled to attend at the meeting. The Committee will however have the right to meet alone without the presence of officers and employees of the Company. The Committee may, from time to time, invite such persons as it may see fit to attend its meeting and to take part in discussion and consideration of the affairs of the Committee.

8. *Secretary and Minutes* - The Corporate Secretary, his or her designate or any other person the Committee requests, shall act as secretary of Committee meetings. Minutes of Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Committee for approval.
9. *Reporting* - The Chair shall report to the Board on material matters arising at Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

REFERENCE DOCUMENTS

Board of Directors Charter
NI 52-110

APPENDIX “A” DELEGATED AUTHORITY

The Board has delegated to the Audit & Risk Committee the authority to annually review, amend as necessary and approve the following:

- External Auditor’s year end Audit Plan including a Statement of Independence and fee estimate
- Assessment of the overall performance of the External Auditor
- CFO role descriptions

The Board has delegated to the Chair of the Audit and Risk Committee the authority to approve non-audit services and fees. The Chair may, at their discretion, bring to the Committee for the Committee’s consideration any significant non-audit service or non-audit fee estimate proposed by the auditors.