



Audit Committee Charter

Purpose

The purpose of this document is to outline the role, responsibilities, composition and operating guidelines of the Audit Committee (the Committee).

Authority and Independence

The Committee is directly accountable to the Board of Directors. In discharging its responsibilities, the Committee has authority to:

- conduct or authorize investigations into any matters within its scope of responsibility;
- access information, records and personnel as it requires to fulfill its responsibilities;
- request the attendance of any executive or employee, at Committee meetings;
- conduct meetings with External Auditors () and Internal Auditors as necessary;
- obtain advice from external parties as necessary;
- Resolve any disagreements between management and the auditor regarding financial reporting; and
- Pre-approve all auditing and non-audit services.

Role

The role of the Committee is to provide independent assurance and assistance to the Board of Directors on control, governance and risk management. The Committee does not replace established management responsibilities and delegations. The Committee will provide the Board of Directors with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the Company.

Composition

The Committee consists of 3 members who are all independent of the Company. The Committee is constituted so as to ensure independence and its membership will be disclosed in the annual report of the Company. The Committee collectively (not necessarily individually) has an understanding of:

- financial reporting;
- risk management;

- internal control;
- external audit process;
- Internal audit process;
- Budgeting and forecasting;
- legal process; and
- information technology.

One member of the Committee has expertise in the industry in which the Company operates.

The Chairperson of the Committee is appointed by the Board of Directors. The Chairperson possesses sound communication and strong leadership skills.

Meetings

The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require, and schedule of meetings will be agreed in advance. All Committee members are expected to attend each meeting, in person or via accepted communication tool. A quorum will consist of 2 members for each meeting to be duly constituted. The Committee meetings will normally be attended by the the CEO and the CFO the Committee may invite members of Management or other relevant parties to attend meetings and provide pertinent information, as necessary. The Committee will determine its own agenda, ensuring appropriate consultation to include emerging issues and emphasis on the most significant risks.

The Board of Directors will appoint a secretary / secretariat function to facilitate the Committee's meetings and reporting duties. The secretary will in consultation with the Chairperson, prepare and send notices and meetings packs 5 working days before the meeting. The secretary will also prepare minutes and accurately transcribe all decisions of the Committee.

Responsibilities

The Committee is accountable to the Board of Directors for the exercise of its responsibilities. The Committee will at all times, recognize that the primary responsibility for management of the Company rests with the Board of Directors. The committee will carry out the following responsibilities:

Financial Statements

- Review the appropriateness of accounting policies;
- Review the appropriateness of assumptions made by Management in preparing the financial statements including budgets and forecast;
- Review the significant accounting and reporting issues, and understand their impact on the financial statements.
- Review the annual financial statements including budgets and forecast, and consider whether they are complete, consistent with IFRS and information known to Committee members;
- Obtain assurance from Management with respect to the accuracy of the financial statements;
- Review with management and the external auditors the results of external audit, including any significant issues identified;

- Review the quarterly and annual reports and related regulatory filings before release and consider the accuracy and completeness of the information, and
- Review the budget and forecast, especially if used in external communication.

Risk Management

- Review the risk management framework for identifying, assessing, monitoring and managing significant risks;
- Review the report of significant changes to the Company's risk register;
- Review the report on risk management culture of the Company;
- Liaise with Management to ensure that there is a common understanding of the key risks to the Company;
- Review whether risk management is carried out in a manner that really benefits the Company;
- Assess and contribute to the audit planning processes relating to the risks of the Company;
- Review and recommend disclosures on matters of risk in the annual financial statements;
- Review and recommend disclosures on matters of risk and risk management in the annual report;
- Provide regular feedback to the Board of Directors on the adequacy and effectiveness of risk management in the Company, including recommendations for improvement; and
- Satisfy itself that it has appropriately addressed the following areas:
 - financial reporting risks, including the risk of fraud;
 - internal financial controls; and
 - IT risks as they relate to financial reporting.

Internal Control

- Review the adequacy of the internal control system, including information technology security and control;
- Understand the scope of internal and external auditors' review of internal control over financial reporting (including budgeting and forecasting) and obtain reports on significant findings and recommendations, together with management's responses;
- Review whether relevant policies and procedures are in place and up to date, and whether they are complied with; and
- Review whether the financial internal controls are operating efficiently, effectively and economically.

Performance Management

- Review the Company's compliance with the performance management and reporting systems;
- Review whether performance management systems reflect the Company's purpose and objectives; and
- Review whether the performance reporting and information uses appropriate targets and benchmarks.

Internal Audit

- Review the Internal Audit Charter, budget, activities, staffing, skills and organizational structure of the Internal Audit;

- Review and approve the Internal Audit plan, its scope and any major changes to it, ensuring that it covers the key risks and that there is appropriate co-ordination with the External Auditor (;
- Review and concur in the appointment, replacement, or dismissal of the Chief Audit Executive (CAE);
- Resolve any difficulties or unjustified restrictions or limitations on the scope of Internal Audit work;
- Resolve any significant disagreements between Auditors and Management;
- Review significant findings and recommendations by Internal Audit and Management responses thereof;
- Review implementation of Internal Audit recommendations by Management;
- Meet separately with internal audit personnel to discuss any issues that the Committee or Internal Audit believes should be discussed privately.

External Audit

- Review the external auditors' proposed audit scope, approach and audit fees for the year;
- Review the findings and recommendations by External Auditor and Management responses thereof;
- Review implementation of External Auditor's recommendations by Management;
- Review the performance of External Auditors;
- Ensure that there is proper coordination of audit efforts between Internal and External Auditors; and
- Meet separately with the External Auditors to discuss any matters that the Committee or External Auditors believe should be discussed privately.

Compliance

- Review whether Management has considered legal and compliance risks as part of the Company's risk assessments;
- Review the effectiveness of the system for monitoring compliance with laws and regulations;
- Review the findings of any examinations by regulatory agencies, and any auditor observations;
- Review the process for communicating the code of conduct to the Company's personnel, and for monitoring compliance therewith; and
- Obtain regular updates from Management regarding compliance matters.

Reporting Responsibilities

- Regularly report to the Board of Directors about Committee activities, issues, and related recommendations;
- Report annually to the Board of Directors, describing the Committee's composition, responsibilities and how they were discharged, and any other information required, including approval of non-audit services;
- Submit a summary of its activities for inclusion in the annual report; and
- Review any other reports the Company issues that relate to Committee responsibilities.

Other Responsibilities

- Perform other activities related to this Charter as requested by the Board of Directors.
- Safeguard all the information supplied to it within the ambit of the law;
- Investigate matters within its powers as identified in this Charter; and

- Confirm annually that all responsibilities outlined in this Charter have been carried out.

Evaluation of Committee Activities

The Committee will annually undertake self-assessment on its performance. The Chairperson will provide each member with feedback on that member's contribution to the Committee's activities at least once during a member's term of office. The assessment will include training needs for each Committee member.

Review of the Charter

The Committee will annually review its Charter to ensure that it remains relevant with the Committee's authority, objectives and responsibilities. All changes or amendments to the Charter will be discussed and approved by the Accounting / Officer.

November 17, 2015
