

AUDIT COMMITTEE CHARTER

This Charter establishes the purpose, composition, authority, responsibilities and operations of the Audit Committee (the "Committee").

1. Purpose

The Committee shall assist and advise the Board of Directors (BOD) in fulfilling its oversight duties to ensure the integrity and quality of the Corporation's accounting, financial reporting, internal control systems and audit processes, and adherence to best practices of corporate governance. The Committee shall oversee the process for monitoring compliance with laws, regulations, the Code of Business Conduct and Ethics, and perform other duties as the BOD may require.

2. Composition

The Committee shall be composed of at least three (3) Non-Executive Directors (NED), majority of whom, including the Chairperson, shall be Independent Directors. The Committee Chairperson shall not be at the same time Chairman of the BOD or of any other BOD Committee. All members of the Committee shall have relevant thorough knowledge, skills and/or experience in the areas of accounting, auditing and finance.

3. Term of Office

Committee members and the Chairperson shall be elected by the BOD for a one (1) year term and each member shall serve until such member's successor is duly designated. Any member may be removed or replaced and vacancies shall be filled by the BOD.

The Office of a member of the Committee shall ipso facto be vacated if: (i) he resigns as a member of the Committee or BOD; (ii) he is removed by the BOD; (iii) he is declared to be incompetent or (iv) he becomes disqualified from directorship on any grounds for disqualification.

4. Authority

The Committee shall, in pursuit of its mandate:

- 4.1 Invite members of Management, auditors or other personnel to attend meetings and provide information as necessary.
- 4.2 Appoint and evaluate the performance of the external auditor and Chief Audit Executive (CAE).
- 4.3 Seek information and data it requires from management and employees.

- 4.4 Review the scope of work of auditors.
- 4.5 Investigate any activities within its scope of responsibilities.
- 4.6 Be allowed to gain access to all relevant resources within the Corporation, obtain training, advice or expertise.
- 4.7 Form and delegate authority to subcommittees and to one or more designated members of the Committee or executive officers to perform specific duties on its behalf.

5. *Responsibilities and Duties*

The Committee shall have the following functions and responsibilities:

- 5.1 Recommends the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- 5.2 Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets;
- 5.3 Oversees the Internal Audit Department and recommends the appointment/removal and grounds for approval/removal of an internal audit head or Chief Audit Executive (CAE);
- 5.4 Approves the terms and conditions for outsourcing internal audit services;
- 5.5 Establishes and identifies the reporting line of the Internal Auditor, who directly report to the Audit Committee, to enable him to properly fulfill his duties and responsibilities;
- 5.6 Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;
- 5.7 Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity;
- 5.8 Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses;
- 5.9 Reviews and approves the Interim and Annual Financial Statements before their submission to the BOD, with particular focus on the following matters:
 - (i) Any change/s in accounting policies and practices;
 - (ii) Areas where a significant amount of judgment has been exercised;
 - (iii) Significant adjustments resulting from the audit;
 - (iv) Going concern assumptions;

- (v) Compliance with accounting standards; and
- (vi) Compliance with tax, legal and regulatory requirements

- 5.10 Reviews the disposition of the recommendations in the External Auditor's management letter;
- 5.11 Performs oversight functions over the Corporation's Internal and External Auditors to ensure the independence of Internal and External Auditors;
- 5.12 Coordinates, monitors and facilitates compliance with contracts, laws, rules and regulations;
- 5.13 Recommends to the BOD the appointment, reappointment, removal and fees of the External Auditor;
- 5.14 Meets at least every quarter with the BOD without the presence of the CEO or other Management Team members;
- 5.15 Periodically meets with the head of the internal Audit; and
- 5.16 Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the BOD.

6. Meetings

- 6.1 *Frequency.* The Committee shall meet at least four (4) times a year or as often as it considers necessary.
- 6.2 *Rules.* Committee meetings shall be governed by the same rules regarding meetings (including meetings by telephone conference, videoconference or other similar communication equipment), notice, waiver of notice, quorum and voting requirements as are applicable to the BOD.
- 6.3 *Minutes.* Committee meetings and proceedings must be duly documented, filed, kept and shall be maintained with the records of the Corporation.
- 6.4 *Secretary.* The Corporate Secretary or Asst. Corporate Secretary shall be the Committee Secretary unless otherwise determined by the Committee. Adequate minutes of the Committee proceedings shall be kept.
- 6.5 *Per Diem.* The Committee members shall be entitled to per diems for every attendance to a Committee meeting.
- 6.6 *Written Resolution.* A resolution in writing by all members of the Committee shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. Such resolution may be signed in counterparts.

7. Assessment of the Performance

Standards shall be provided by the BOD for the evaluating the performance and effectiveness of the Committee in the performance of its duties and responsibilities.

8. Annual review and Proposed Changes

The Committee shall review annually the adequacy of this Charter and recommend any proposed changes or modifications for approval by the BOD.

9. Amendment of Charter

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the BOD.