



**UEX CORPORATION**  
**AUDIT COMMITTEE CHARTER**

**1. AUTHORITY**

- (a) The Audit Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) and its primary purpose is to: 1) assist the Board in its oversight of the integrity of the Corporation’s financial statements, the Corporation’s compliance with legal and regulatory requirements, the independent auditor’s qualifications and independence, the Corporation’s financial internal controls, and the performance of the Corporation’s independent auditor; and 2) assist the Board in its oversight of other financial matters affecting the Corporation.
- (b) The Committee shall have the authority:
- (i) for the purpose of performing its duties, to inspect all of the books and records of the Corporation and its affiliates and to discuss such accounts and records and any matters relating to the financial position or condition of the Corporation with the officers and internal (if any) and external auditors of the Corporation and its affiliates;
  - (ii) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - (iii) to set and pay the compensation for any advisors employed by the Committee, including without limitation compensation to any public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation;
  - (iv) to set and pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties; and
  - (v) to communicate directly with the external auditors.

**2. COMPOSITION**

The Committee shall consist of a minimum of three directors of the Corporation, each of whom shall be “independent” as defined in applicable securities laws, instruments and policies.

**3. QUALIFICATIONS AND EXPERIENCE**

At the time of appointment or within a reasonable period of time following appointment, each member of the Committee must be financially literate, having the ability to read and understand a set of financial statements that present the breadth and level of complexity or accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

#### **4. MEMBER APPOINTMENT AND REMOVAL**

- (a) The Committee members are appointed by the Board after consultation with the Chair with consideration of the desires of individual Board members.
- (b) Consideration will be given, where appropriate and having regard to the composition of the Board, to rotating the Committee members periodically.
- (c) The Committee Chair is selected by the Board.
- (d) The Board may at any time remove a member from the Committee.

#### **5. POSITION DESCRIPTION AND RESPONSIBILITIES OF CHAIR**

- (a) The Chair of the Committee shall be an independent director appointed by the Board on an annual basis following the election of the directors at the Corporation's Annual General Meeting of shareholders.
- (b) The Chair shall:
  - (i) work with the Chair of the Board, the CEO and the Chief Financial Officer ("CFO") and manage the Committee in an effective and efficient manner which furthers the best interests of the Corporation;
  - (ii) act as the principal sounding board and counsel for the Chair of the Board, the CEO and the CFO with respect to audit and financial reporting issues;
  - (iii) ensure that the Chair of the Board and, if appropriate, the CEO and the CFO are aware of concerns of the Committee;
  - (iv) provide strong leadership of the Committee;
  - (v) work closely with the Chair of the Board to coordinate matters to be brought forth to Board meetings from the Committee;
  - (vi) communicate with the Board to keep it current on all major developments involving audit and financial reporting matters;
  - (vii) set the frequency of the Committee meetings and review such frequency as appropriate; and
  - (viii) chair and manage meetings of the Committee.

#### **6. RESPONSIBILITIES**

The Committee shall:

- (a) review and assess the adequacy of the Committee Charter on an annual basis;
- (b) meet with the Corporation's external auditors as necessary and before the submission of the audited annual financial statements to the Board and communicate to external auditors that they are ultimately accountable to the Board and the Committee as representatives of shareholders;

- (c) review the annual financial statements of the Corporation and “management’s discussion and analysis” and, where appropriate, recommend the financial statements for approval to the Board;
- (d) review the interim financial statements of the Corporation and “management’s discussion and analysis” and, where appropriate, recommend the financial statements for approval to the Board;
- (e) obtain explanations from management on all the significant variances between comparative reporting periods and, with respect to the annual financial statements, question management and the external auditor regarding the significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (f) be responsible for:
  - (i) ensuring that a written statement is obtained from the external auditor describing all relationships between the external auditor and the Corporation;
  - (ii) discussing with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and
  - (iii) determining that the external auditors have a process in place to address the rotation of the lead partner and other audit partners serving the account;
- (g) assess the performance of the external auditors and recommend to the Board annually or as they may otherwise determine a duly qualified external auditor to be nominated (for appointment or retention) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation;
- (h) review the plan and scope of the audit to be conducted by the external auditors of the Corporation;
- (i) approve, or recommend to the Board for approval, the compensation of the external auditors;
- (j) oversee the work of the external auditors, including reviewing the Corporation’s critical accounting policies and practices, material alternative accounting treatments and material written communications between the external auditors and management, and the resolution of disagreements between management and the external auditor regarding financial reporting;
- (k) pre-approve all audit and permitted non-audit services to be provided to the Corporation or any subsidiary entities by its external auditors or the external auditors of any such subsidiaries, in accordance with applicable laws;
- (l) review all post-audit or management letters containing the recommendations of the external auditor and management’s response or follow-up of any identified weakness;
- (m) meet separately, periodically, with management (or other personnel responsible for the internal audit function) and with external auditors;
- (n) review all annual and interim earnings press releases;
- (o) determine that adequate procedures are in place for the review of the Corporation’s disclosure of financial information extracted or derived from the Corporation’s financial

statements, other than disclosure in the Corporation's financial statements, management's discussion and analysis and earnings press releases, and periodically assess the adequacy of these procedures;

- (p) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (q) enquire as to the adequacy of the Corporation's system of internal controls;
- (r) review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation; and
- (s) have such other duties, powers and authorities, consistent with the provisions of applicable corporate law, as the Board may, by resolution, delegate to the Committee from time to time.

## 7. **REPORTING**

- (a) The Committee has a duty to report to the Board all matters that it considers to be important for Board consideration.
- (b) All minutes of the Committee should be attached to the Board minutes and forwarded to each member of the Board by the Secretary in a timely manner.

Last reviewed and approved: June 11, 2020