

AUDIT COMMITTEE CHARTER/MANDATE

Purpose

1. The Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Corporation shall provide assistance to the Board in fulfilling the Board's oversight responsibilities to the Corporation's shareholders, including with respect to:
 - (a) the integrity of the Corporation's financial statements and financial reporting process;
 - (b) the Corporation's compliance with applicable legal and regulatory requirements;
 - (c) the qualifications and independence of the independent auditor ("Independent Auditor");
 - (d) the performance of the Corporation's internal auditors (the "Internal Auditors") and the Independent Auditor; and
 - (e) the preparation of the Audit Committee Report in the Corporation's proxy circulars.

In so doing, it is the responsibility of the Committee to maintain free and open communication between the Board, the Independent Auditor, the Internal Auditors and management of the Corporation and monitor their performance, recognizing that the Independent Auditor is ultimately responsible to the Committee, the Board and the shareholders of the Corporation.

Organization and Composition

2. The Committee shall be composed of not less than three (3) nor more than five (5) members, each of whom shall:
 - (a) be a director of the Corporation;
 - (b) be "financially literate" as such term is defined in Multilateral Instrument 52-110 of the Canadian Securities Administrators, or any successor instrument thereto, together with any other applicable law, rule or regulation; and
 - (c) meet the independence standards required by the applicable rules and regulations of the OSC, the SEC, the NYSE and any other regulatory authority having jurisdiction.

At least one member of the Committee shall have such accounting or financial expertise as is required to comply with applicable law and the applicable rules and regulations of the Ontario Securities Commission ("OSC"), the United States Securities and Exchange Commission (the "SEC"), The New York Stock Exchange ("NYSE") and any other regulatory authority having jurisdiction.

3. No member of the Committee shall serve as a member of the audit committees of more than three other boards of directors of other public companies.
4. The Board shall annually appoint the members of the Committee and appoint a Chairman from amongst those appointed, to hold office until the next annual meeting of shareholders of the Corporation. The members of the Committee shall serve at the pleasure of the Board and vacancies occurring from time to time shall be filled by the Board.

5. A majority of the members of the Committee shall constitute a quorum and all actions of the Committee shall be taken by a majority of the members present at the meeting.
6. The Chairman of the Committee shall generally provide leadership to enhance the effectiveness of the Committee and act as the liaison between the Committee and the Board. The Chairman shall also manage the Committee's activities and meetings, including by establishing a Committee meeting schedule for each year, developing meeting agendas after consultation with other members of the Committee and circulating such agendas to Committee members in advance of Committee meetings, managing any outside legal or other experts retained by the Committee and managing the process of reporting to the Board on the Committee's activities.
7. In addition to regularly scheduled meetings pursuant to Section 6, meetings of the Committee may be called by the Committee Chairman or any member of the Committee, by the Chairman of the Board, a Chief Executive Officer, an Executive Vice-Chairman, a Vice-Chairman, the President, the Chief Financial Officer, the Secretary of the Corporation, the head of the Corporation's Internal Audit Department or the Independent Auditor of the Corporation.
8. Unless otherwise determined by the Committee, the Secretary or an Assistant Secretary of the Corporation shall act as Secretary of the Committee and shall provide the Independent Auditor, the Chairman of the Board, any Chief Executive Officer, any Executive Vice-Chairman, any Vice-Chairman, the President and the Chief Financial Officer of the Corporation, as well as the head of the Internal Audit Department and each member of the Committee with notice of each meeting of the Committee, all of whom shall be entitled to attend each Committee meeting. The Secretary of the Committee will keep minutes of the Committee and such minutes will be retained in the corporate records of the Corporation. The Chairman of the Committee or the Committee may request any officer or employee of the Corporation or its affiliates to attend a Committee meeting.
9. In addition to any meeting of the Committee called pursuant to Sections 6 or 7 above, the Committee shall meet with management and the Independent Auditor of the Corporation within:
 - (a) sixty (60) days, or such lesser period as may be prescribed by applicable law, following the end of each of the first three financial quarters of the Corporation, but in any event prior to the release of the financial results for each such quarter and their filing with the applicable regulatory authorities, to review and discuss the financial results of the Corporation for the preceding fiscal quarter and the related Management's Discussion and Analysis of Results of Operations and Financial Condition ("MD&A") as well as the results of the Independent Auditor's review of the financial results for such quarter and, if satisfied, report thereon to, and recommend their approval by, the Board and their inclusion in the Corporation's required regulatory filings for such quarter; and
 - (b) ninety (90) days, or such lesser period as may be prescribed by applicable law, following the financial year-end of the Corporation, but in any event prior to the release of the financial results for the financial year and their filing with the applicable regulatory authorities, to review and discuss the audited financial statements of the Corporation for the preceding fiscal year and the related MD&A and, if satisfied, report thereon to, and recommend their approval by, the Board and the Corporation's shareholders as required by applicable law and their inclusion in the Corporation's Annual Report and other required regulatory filings.

In reviewing the quarterly and annual financial results the Committee shall ensure that there are adequate procedures for review of such financial results, including timely review by the Independent Auditor.
10. For the purpose of performing their duties and responsibilities, the members of the Committee shall have full access to and the right to discuss any matters relating to such duties with any or all of:

- (a) management;
- (b) any employee of the Corporation;
- (c) the Internal Audit Department staff;
- (d) the Independent Auditor; and/or
- (e) any advisors to the Corporation,

as well as the right to inspect all books, records and facilities of the Corporation and its subsidiaries and shall be permitted to discuss such books, records and facilities and any other matters relating to the financial position of the Corporation with any of the foregoing.

11. The Committee may retain outside financial, legal and other experts at the expense of the Corporation as it deems reasonably necessary to assist and advise the Committee in carrying out the Committee's duties and responsibilities.

Duties and Responsibilities

12. With respect to audit related matters and in addition to the duties and obligations of the Committee under applicable law, the Committee may examine and consider such matters in relation to the internal and external audit of the Corporation's accounts (including the results of such audits), financial controls, financial reporting and in relation to the general financial affairs of the Corporation as the Committee may deem necessary or desirable except for those matters specifically delegated by the Board to another standing Board committee or retained by the Board.

In carrying out the Committee's responsibilities, the Committee shall:

- (a) be directly responsible for recommending to the Board:
 - (i) the Independent Auditor to be nominated for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the Independent Auditor; and
- (b) be directly responsible for overseeing the work of the Independent Auditor, including resolution of disagreements between management and the Independent Auditor regarding financial reporting;
- (c) pre-approve, or establish procedures and policies for the pre-approval of, the engagement and compensation of the Independent Auditor in respect of the provision of all audit, audit-related, review or attest engagements required by applicable law;
- (d) review and pre-approve all non-audit services permitted to be provided by the Independent Auditor in accordance with applicable law and the rules of the OSC, SEC and any other applicable regulatory authority, provided that the Committee may pre-approve certain services within designated thresholds on an annual basis and further provided that the Committee may delegate to the Chairman of the Committee, or such other member or members of the Committee that it deems appropriate, certain pre-approval authority provided that any such approval granted by such persons shall be reported at the next regularly scheduled meeting of the Committee;

- (e) review and approve the objectives and general scope of the external audit (including the overall audit plan, the proposed timing and completion dates) and discuss the external audit with the Independent Auditor;
- (f) evaluate the performance, quality control procedures and efficiency of the Independent Auditor in carrying out its responsibilities, review the experience and qualifications of the Independent Auditor's audit team assigned to the audit of the Corporation and make annual recommendations to the Board as to the need (if any) for rotation of the Independent Auditor or the members of the Independent Auditor 's audit team assigned to the audit of the Corporation;
- (g) review the Independent Auditor's independence, including the receipt at least annually of:
 - (i) a disclosure report from the Independent Auditor regarding the Auditor's independence as required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees", and/or other applicable regulatory requirements; and
 - (ii) a report from the Independent Auditor describing:
 - (A) its internal quality control procedures;
 - (B) any material issues raised in the most recent internal quality control review or peer review of the Independent Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Independent Auditor, and the steps taken to deal with any such issues; and
 - (C) all relationships between the Independent Auditor and the Corporation;
- (h) satisfy itself generally that there is a good working relationship between management and the Independent Auditor, review any management letters, schedule of unadjusted differences or other reports of the Independent Auditor and discuss any material differences of opinion between management and the Independent Auditor;
- (i) satisfy itself that management has established and is maintaining an adequate and effective system of internal financial and accounting controls and is responding on a timely basis to any significant weaknesses which have been identified, and meet with and review significant reports of the Internal Auditors and the Independent Auditor relating to such internal controls;
- (j) review the appointment, termination and replacement of the senior management of the Internal Auditors, the scope of the Internal Auditor's work plan and the overall performance, staffing and resources of the Internal Auditors;
- (k) review annually management's assessment and report relating to the effectiveness of the Corporation's internal financial controls and procedures in respect of each fiscal year of the Corporation, as well as the Independent Auditors' attestation of such assessment, in each case when required under applicable law;
- (l) review the:
 - (i) selection, use and quality of application of, and proposed material changes to, critical accounting principles and practices and related judgments; and

- (ii) alternative GAAP treatments for policies and practices relating to material items, including the ramifications of such alternative disclosures or treatments and any recommended treatment,

to ensure that the critical accounting policies and practices and GAAP treatments adopted are appropriate and consistent with the Corporation's needs and applicable requirements, and discuss the same with the Independent Auditor;

- (m) review on behalf of the Board, any actual or potential illegal, improper or fraudulent behaviour which may have a negative effect on the integrity or reputation of the Corporation, review the findings of any regulatory authorities in relation to the financial affairs of the Corporation, review the disclosure of all insider and related party transactions and monitor compliance with the Corporation's Code of Conduct and Ethics which may be in effect from time to time;
- (n) satisfy itself that there is an agreed course of action leading to the resolution of significant 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), if any;
- (o) assess with management the Corporation's material risk exposures and the Corporation's actions to monitor and control such exposures;
- (p) review and approve the hiring of partners, employees and former partners and employees of the present and any former Independent Auditor who were engaged on the Corporation's account within the last three years prior to such hiring;
- (q) review all material off-balance sheet transactions and the related accounting presentation and disclosure;
- (r) discuss with the Independent Auditor the matters required to be discussed by the Statement of Auditing Standards No. 54, 61, 89 and 90 (and comparable generally accepted auditing standards in Canada) and other applicable standards or requirements in effect from time to time relating to the conduct of the audit and quarterly review of the interim financial results;
- (s) review and assess this Audit Committee Charter annually and make recommendations to the Board for such changes to the Charter as the Committee shall consider necessary or desirable;
- (t) prepare the Audit Committee report for inclusion in the Corporation's information circular/proxy statement, in the form and at the time required by the laws, rules and regulations of applicable regulatory authorities;
- (u) review and approve prior to release, all financial statements of the Corporation, together with MD&As, earnings press releases and all other public disclosure documents of the Corporation containing financial information or forecasts of the Corporation;
- (v) ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements other than the public disclosure documents referred to in (u), and periodically assess the adequacy of such procedures;
- (w) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls, and auditing matters; and

- (ii) the confidential, anonymous submission of complaints by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
 - (x) review with management and the Independent Auditor any issues raised by regulatory authorities having jurisdiction or governmental agencies, as well as any complaints received through the Corporation's "whistleblowing" process or published reports which raise material issues regarding the Corporation's financial statements or accounting or auditing practices; and
 - (y) perform such other functions as requested or delegated by the Board from time to time or as required by the Corporation's articles and by-laws, applicable law or applicable regulatory agencies.
- 13. Notwithstanding the foregoing and subject to applicable law, the Committee shall not be responsible to plan or conduct internal or external audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles as these are the responsibility of management, the Internal Auditors and the Independent Auditor. This Charter has been established to assist in ensuring sound business practices within the Corporation and to ensure the Corporation's compliance with applicable laws or regulations; however, nothing in this Charter is intended to expand applicable standards of liability under statutory and regulatory requirements for the directors of the Corporation or members of the Committee.