



Audit Committee Charter

1.0 PURPOSE AND AUTHORITY

- 1.1. The Audit Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of Six Nations of the Grand River Development Corporation (the "**SNGRDC**"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to accounting and financial reporting processes, the integrity of the financial statements of the Company, compliance with legal and regulatory requirements, the overall adequacy and maintenance of the systems of internal controls that management has established and the overall responsibility for the SNGRDC's external and internal audit processes including the external auditor's qualifications, independence and performance.
- 1.2. The Committee shall have access to such officers and employees of the SNGRDC, its external auditor and legal counsel as it considers to be necessary or desirable in order to perform its duties and responsibilities. In addition, the Committee shall have the authority and funding to retain independent legal, accounting and other consultants to advise the Committee. The SNGRDC shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisers employed by the Committee and to the external auditor employed by the SNGRDC for the purpose of rendering or issuing an audit report or performing other audit, review or attest services and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- 1.3. The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities, the Committee shall maintain an open communication between the SNGRDC's external auditor and the Board.
- 1.4. The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.
- 1.5. The Committee has the duty to review and ensure that the SNGRDC's financial disclosures are complete and accurate, are in accordance with generally accepted accounting principles and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, review compliance with laws and regulations and the SNGRDC's own policies.

- 1.6. The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the SNGRDC as it deems advisable.

2.0 MEMBERSHIP AND COMPOSITION

- 2.1. The Committee shall be a Committee of the Whole of the Board of Directors. .
- 2.2. Each member of the Committee shall be an director. To the extent practicable, each member of the Committee shall also be financially literate. Each member of the Committee must not have participated in the preparation of the financial statements of the SNGRDC or any current subsidiary of the SNGRDC at any time in the preceding three years. The Board may, at any time, remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 2.3. Financial literacy means the ability of a person to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the SNGRDC's financial statements. To the extent practicable, at least one member of the Committee shall be able to analyze and interpret a full set of financial statements, including the notes attached, in accordance with Canadian generally accepted accounting principles and at least one member of the Committee shall qualify and be designated as the Audit Committee's financial expert as determined in the judgment of the Board.
- 2.4. A majority of members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other, will constitute a quorum for a meeting of the Committee.
- 2.5. The Board will appoint one member of the Committee to act as the chairperson (the "**Chair**") of the Committee. In his or her absence, the Committee may appoint another person to act as Chair of a meeting of the Committee provided a quorum is present. The Chair will appoint a secretary of the meeting, who need not be a member of the Committee and who will maintain the minutes of the meeting.

3.0 MEETINGS

- 3.1. At the request of the external auditor, the Chair of the Board, the Chief Executive Officer or the Chief Financial Officer of the SNGRDC or any member of the Committee, the Chair of the Committee will convene a meeting

of the Committee. In advance of every meeting of the Committee, the Chair, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner.

- 3.2. The Committee shall meet regularly and at least on a quarterly basis. The Committee shall hold in-camera sessions after each regularly scheduled meeting (or as otherwise may be required) without the presence of management.

4.0 DUTIES AND RESPONSIBILITIES

The Committee shall take charge of all responsibilities imparted on an audit committee of the SNGRDC, as they may apply from time to time, under applicable law and as determined by the Committee or the Board. The duties and responsibilities of the Committee include the following:

5.0 FINANCIAL REPORTING AND DISCLOSURE

- 5.1. Review and discuss with management and the external auditor at the completion of the annual examination:
 - 5.1.1. the SNGRDC's audited financial statements and related notes;
 - 5.1.2. the external auditor's audit of the financial statements and their report;
 - 5.1.3. any significant changes required in the external auditor's audit plan;
 - 5.1.4. any serious difficulties or disputes with management encountered during the course of the audit; and
 - 5.1.5. other matters related to the conduct of the audit which are to be communicated to the Committee under applicable requirements concerning corporate accounting practices, accounting controls and auditing practices (collectively "**Accounting Standards**").
- 5.2. Review and discuss with management and the external auditor at the completion of any review engagement or other examination, the SNGRDC's quarterly financial statements.
- 5.3. Review and discuss with management the annual reports, quarterly reports, Management's Discussion and Analysis ("**MD&A**"), if any, and any other material disclosure documents containing or incorporating by reference audited or unaudited financial statements of the SNGRDC and, if thought advisable, recommend the acceptance of such documents to the Board for approval.

- 5.4. Review and discuss with management any guidance being provided to shareholders on the expected earnings of the SNGRDC and, if thought advisable, provide their recommendations on such documents to the Board.
- 5.5. Inquire of the auditors regarding the quality and acceptability of the SNGRDC's accounting principles and estimates, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- 5.6. Review the SNGRDC's compliance with any policies and reports received from regulators. Discuss with management and the external auditor the effect on the SNGRDC's financial statements of significant regulatory initiatives.
- 5.7. Meet with the external auditor and management in separate executive sessions, as necessary or appropriate, to discuss any matters that the Committee or any of these groups believe should be discussed privately with the Committee.
- 5.8. Ensure that management has the proper and adequate systems and procedures in place for the review of the SNGRDC's financial statements, financial reports and other financial information including all SNGRDC disclosure of financial information extracted or derived from the SNGRDC's financial statements, and that they satisfy all legal and regulatory requirements. The Committee shall periodically assess the adequacy of such procedures.
- 5.9. Review with the SNGRDC's counsel, management and the external auditor any legal or regulatory matter, including reports or correspondence, which could have a material impact on the SNGRDC's financial statements or compliance policies.

6. EXTERNAL AUDITOR

- 6.2. Be responsible for the recommendation to the Board and the shareholders for the appointment of the SNGRDC's external auditor and for the compensation, retention and oversight of the work of the external auditor employed by the SNGRDC. The external auditor shall report directly to the Committee. The Committee shall be responsible to resolve any disagreements, if any, between management and the external auditor regarding financial reporting.
- 6.3. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
- 6.4. Approve the external auditor to be nominated and the cost of their services and review the performance of the external auditor, including the lead partner of the external auditor.

- 6.5. Confirm with the external auditor and receive written confirmation at least once per year as to the external auditor's internal processes and quality control and disclosure of any investigations or government enquiries, reviews or investigations of the external auditor.
- 6.6. Take reasonable steps to confirm at least annually the independence of the external auditor, which shall include:
 - 6.6.2. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the SNGRDC, consistent with Accounting Standards, and determine that they satisfy the requirements of all applicable laws,
 - 6.6.3. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor, and
 - 6.6.4. approving in advance any audit or permissible non-audit related services provided by the external auditor to the SNGRDC with a view to ensuring independence of the external auditor, and in accordance with any applicable regulatory requirements, including the requirements of all applicable laws with respect to approval of non-audit related serviced performed by the external auditor.
- 6.7. Confirm that the lead audit partner for the SNGRDC's external auditor has not performed audit services for the SNGRDC for more than five previous fiscal years, and otherwise ensure the rotation of the lead partner and other partners in accordance with all applicable laws and best practices.
- 6.8. Ensure the SNGRDC's HR Policy restricts the hiring of partners, employees and former employees of the current and former external auditors of SNGRDC for a period of six (6) months after their departure from the auditing firm.

7. INTERNAL CONTROLS AND AUDIT

- 7.2. Review and assess the adequacy and effectiveness of the SNGRDC's systems of internal control and management information systems through discussion with management and the external auditor to ensure that the SNGRDC maintains appropriate systems, is able to assess the pertinent risks of the SNGRDC and that the risk of a material misstatement in the financial disclosures can be detected.
- 7.3. At the Committee's discretion, recommend the implementation of an internal auditor function as part of SNGRDC. The recommendation will be made to the Board of Directors, who will in turn, request that the President/CEO hire the position.

- 7.4. Review disclosures made to the Committee by the SNGRDC's Chief Executive Officer and Chief Financial Officer. Review any significant deficiencies in the design and operation of internal controls over financial reporting or disclosure controls and procedures and any fraud involving management or other employees who have a significant role in the SNGRDC's internal controls.

8. GENERAL

- 8.2. Conduct an ongoing review of any transaction now in effect, and review and approve in advance any proposed transaction, that could be within the scope of "related party transactions" as such term is defined in applicable laws or Accounting Standards, and establish appropriate procedures to receive material information about and prior notice of any such transaction.
- 8.3. Establish procedures for the receipt, retention and treatment of complaints received by the SNGRDC regarding accounting, internal accounting controls or auditing matters; and for the confidential, anonymous submission by employees of the SNGRDC of concerns regarding questionable accounting or auditing matters.
- 8.4. Conduct or authorize investigations into any matter within the scope of this Charter. The Committee may request any officer or employee of the SNGRDC, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.
- 8.5. Review the qualifications of the senior accounting officer. Enquire of management and the external auditor regarding significant financial risks or exposures and the steps management has taken to minimize such risks to the SNGRDC.
- 8.6. Perform any other activities consistent with this Charter, the SNGRDC's Articles and governing law, as the Committee or the Board deems necessary or appropriate.

9. OVERSIGHT FUNCTION

While the Committee has the responsibilities and powers set out in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the SNGRDC's financial statements are complete and accurate or are in accordance with Accounting Standards and applicable rules and regulations. These are the responsibilities of management and the external auditor. The Committee and the Chair and any members of the Committee identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the SNGRDC, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such

designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a member of the Committee who is identified as having accounting or related financial expertise, like the role of all members of the Committee, is to oversee the process, not to certify or guarantee the internal or external audit of the SNGRDC's financial information or public disclosure.

10. CHAIR OF THE COMMITTEE

The Chair of the Committee shall be governed by the Committee Chair Position Description- Advisory Committee, Board of Directors, Board of Trustees, Joint Committees.

11. REVIEW OF CHARTER

The Committee will periodically (at least annually) review this Charter to reassess its adequacy and any recommended changes will be submitted to the Board for approval.

Last reviewed and approved by the Board of Directors on August 11, 2018.

Last reviewed and approved by the Board of Directors on October 8, 2019.