

ENERCARE INC. and ENERCARE SOLUTIONS INC.

AUDIT COMMITTEE MANDATE

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Enercare Inc. and Enercare Solutions Inc.
(together, the “Corporation”)

AUDIT COMMITTEE MANDATE

INTRODUCTION:

A. Establishment of Committee and Procedures

1. Composition of Committee

The Board of Directors (the “**Board**”) shall appoint an Audit Committee (the “**Committee**”) consisting of at least three Directors, at least two of whom are not officers or employees of the Corporation or its affiliates and who are also not control persons within the meaning of National Instrument 52-110 – Audit Committees, as replaced or amended from time to time (including any successor rule or policy thereto) (“NI 52-110”). Each member shall hold office until his or her term as a member of the Committee expires or is terminated.

The Corporation recognizes the value of financial literacy of Committee members, meaning that such Directors should have the ability to read and understand financial statements that present a 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 Corporation’s financial statements, and otherwise be financially literate within the meaning of NI 52-110.

2. Governance and Procedure

Unless otherwise determined by the Directors, a quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.

3. Chair of the Audit Committee

The Board may appoint one member to be Chair of the Audit Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair, if any, shall continue in office until a successor is appointed.

4. The Corporation’s Auditors

The Committee shall have the direct responsibility for the oversight of the Corporation’s external auditors. The Committee shall serve as the ultimate authority to which the Corporation’s external auditors are accountable and the Corporation’s external auditors shall report directly to the Committee. The Corporation shall provide appropriate funding, as determined by the Committee, for payment of compensation to the external auditors and any experts or advisors employed by the Committee.

The Committee shall meet with the external auditors, as the Committee may deem appropriate, to consider any matter which the Committee or auditors believe should

be brought to the attention of the Board or the shareholders of the Corporation.

5. Review of Mandate

The Committee shall review this mandate annually or otherwise as it deems appropriate, and propose recommended changes to the Board.

6. Frequency of Meetings

The Committee shall meet at least once per fiscal quarter, or more frequently as circumstances dictate.

7. Reporting

The Committee shall report to the Board on all significant matters dealt with by the Committee.

8. Retention of Advisors

The Committee may engage such advisors, without approval of the Board of Directors and at the expense of the Corporation, as it considers necessary to perform its duties.

B. General Mandate of Committee

The role of the Committee, subject to the determination of the Board from time to time, is to review: (i) the engagement of auditors; (ii) the financial policies and procedures of the Corporation; (iii) the financial statements of the Corporation; and (iv) budgets. In furtherance of this role, the Committee provides assistance to the Board in fulfilling its oversight responsibility to the shareholders of the Corporation, the investment community and others, relating to the integrity of the Corporation's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the external auditors' qualifications, independence, performance and reports, the legal and environmental compliance programs related to financial risk as may be established by management and the Board, and the financial risk identification, assessment and management program. In so doing, it is the Committee's responsibility to maintain an open avenue of communication between the Committee, the external auditors, the internal auditors and management of the Corporation.

Management is responsible for the preparation, presentation and integrity of the financial statements of the Corporation. Management and the internal audit group of the Corporation are responsible for maintaining appropriate internal controls over accounting procedures and financial reporting related documentation and testing for compliance with accounting standards and applicable laws and regulations. While the Committee has the responsibilities and powers set forth herein, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the external auditors. Management is responsible for preparing the interim and annual financial statements and financial disclosure of the Corporation and for maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, executed, recorded

and reported properly. The Committee's role is to provide meaningful and effective oversight and counsel to management without assuming responsibility for management's day-to-day duties.

C. Duties and Responsibilities

The Committee shall have the following specific duties and responsibilities:

1. Audit and Financial Matters

The Committee shall:

- (a) have responsibility for recommending to the Board the external auditors to be nominated for appointment and the compensation and retention of the external auditors and shall have responsibility for approving, where required by law or internal policy, non-audit services and fees and in doing so, shall:
 - (i) review the experience and qualifications of the external auditors' senior personnel who are providing audit services to the Corporation and the quality control procedures of the external auditors;
 - (ii) review the basis and amount of the external auditors' fees;
 - (iii) review and discuss with the external auditors all relationships that the external auditors and their affiliates have with the Corporation and its affiliates in order to determine the external auditors' independence, including, without limitation (i) requesting, receiving and reviewing, on a periodic basis, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Corporation, (ii) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors, and (iii) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence;
 - (iv) resolve disagreements between management and the external auditors regarding financial reporting;
 - (v) approve audit services;
 - (vi) pre-approve the appointment of the external auditor for any non-audit service to be provided to the Corporation or its subsidiaries. The Committee may establish policies and procedures, from time to time, pre-approving the appointment of the external auditor for certain non-audit services. In addition, the Committee may delegate to one or more members of the Committee the authority to pre-approve the appointment of the external auditor for any non-audit service to the extent

- permitted by applicable law, provided that any pre-approvals granted pursuant to such delegation shall be reported to the full Committee at its next scheduled meeting;
- (vii) inform the external auditors and management that the external auditors shall have access directly to the Committee at all times, as well as the Committee to the external auditors;
 - (viii) instruct the external auditors that they are ultimately accountable to the Committee and are required to report directly to the Committee;
 - (ix) on an annual basis, review the performance of the external auditors, including the lead partner responsible for providing the audit services;
 - (x) on an annual basis, obtain and review a report from the external auditors regarding the external auditors internal quality-control procedures and any material issues raised by the most recent internal quality-control review, peer review of the external auditors or by any inquiry or investigation by any governmental or professional authorities within the preceding 5 years and any steps taken to deal with such material issues; and
 - (xi) ensure the rotation of each of the lead partner responsible for providing the audit services, the concurring partner responsible for reviewing the audit services and other audit partners as required by applicable law;
- (b) review Enercare Inc.'s and Enercare Solutions Inc.'s respective annual and quarterly financial statements and management's discussion and analysis, as applicable, in connection thereto with management and the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Corporation's financial position and performance and are in accordance with the accounting standards or principles used by the Corporation and report thereon to the Board before such financial statements are approved by the Board;
 - (c) as applicable, review the Corporation's annual and interim earnings press releases before they are publicly disclosed;
 - (d) as applicable, review all other financial statements and related disclosures of the Corporation that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities;
 - (e) if made, review disclosures made to the Committee by the President and Chief Executive Officer and Chief Financial Officer of the Corporation during their certification process for applicable securities law filings about any significant deficiencies and material weaknesses

in the design or operation of the Corporation's internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving management or other employees who have a significant role in the Corporation's internal control over financial reporting;

- (f) review with management and the external auditors, where required by law or internal policy, the appropriateness of the Corporation's accounting policies, disclosures, reserves, key estimates and judgments, including changes or variations thereto and obtain reasonable assurance that they are presented fairly in accordance with the accounting standards or principles used by the Corporation and report thereon to the Board;
- (g) review major issues regarding accounting principles and financial statement presentation, including any significant changes in the selection or application of accounting principles to be observed in the preparation of the accounts of the Corporation;
- (h) review with management and the external auditors, where required by law or internal policy:
 - (i) the degree of conservatism of the Corporation underlying accounting policies, key estimates and judgments and reserves;
 - (ii) the co-operation that the external auditors received during the course of their review and their access to all records, data and information that they requested;
 - (iii) any significant transactions that were out of the ordinary course of the Corporation's business; and
 - (iv) all significant adjustments proposed by the external auditors;
- (i) satisfy itself that there are no unresolved issues between management and the external auditors that could reasonably be expected to materially affect the financial statements;
- (j) as applicable, review annually the approach taken by management in the preparation of any earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;
- (k) as applicable, satisfy itself 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 in order to satisfy itself that such information is fairly presented and periodically assess the adequacy of these procedures;
- (l) review with senior management, the senior legal executive member of management and, as necessary, outside legal advisors, and the Corporation's internal and, if applicable, external auditors the effectiveness of the Corporation's internal controls to ensure the

Corporation is in compliance with legal and regulatory requirements and with the Corporation's policies;

- (m) discuss with management the Corporation's policies and procedures for identifying and managing the principal risks of its business (other than risks assumed directly by the Board or one of its other committees), to determine that management has implemented and is maintaining systems and procedures to manage or mitigate those risks, including programs of insurance and risk reduction;
- (n) review the audit plans of the internal and, if applicable, external auditors of the Corporation, including the degree of detail of those plans and the coordination between those plans;
- (o) review and consider, as appropriate, any significant reports and recommendations made by internal audit relating to internal audit issues, together with management's response thereto;
- (p) review management's plans regarding any changes in accounting practices or policies and the financial impact thereof;
- (q) discuss with, as applicable, the external auditors their perception of the Corporation's financial and accounting personnel, any recommendations that the external auditors may have, including those contained in the management letter, with respect to improving internal financial controls, choice of accounting principles or management reporting systems;
- (r) review all management letters from the external auditors together with management's written responses thereto;
- (s) review with management, the external auditors, if applicable, and, as necessary, internal and external legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements;
- (t) review incidents or alleged incidents of fraud, illegal acts and conflict of interest;
- (u) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters;
- (v) discuss with management and, if applicable, the external auditors any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise a material issue regarding the Corporation's financial statements or accounting policies;

- (w) review and approve, if applicable, the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- (x) review the annual information form of the Corporation, if any, in respect of the disclosure required by Form 52-110F1 or Form 52-110F2, as applicable; and
- (y) at least annually or otherwise as it deems appropriate, review and reassess the adequacy of the Committee's policies and procedures for the approval of non-audit services and approve any changes thereto.

The Committee may, at the request of the Board or on its own initiative, investigate such other matters as are considered necessary or appropriate in carrying out its mandate and in such matters shall have the authority to retain such counsel, experts or other advisors (financial or otherwise) as it may determine are necessary or appropriate and to set and pay the compensation for such advisors.

Last reviewed by the Board of Directors on November 19, 2018.