

ENERCARE SOLUTIONS INC.

**POLICIES & PROCEDURES REGARDING
APPROVAL OF EXTERNAL AUDITORS FEES**

External Auditor Fees – Approval Procedure (“Procedure”)

Introduction

This Procedure defines the process to be followed in reviewing and approving fees paid to the external auditors of Enercare Solutions Inc. (“Enercare”) and any of its subsidiaries (collectively, the “Corporation”). It has been prepared to define the processes to be followed, and supports, the mandate of the Corporation’s Audit Committee to:

- recommend the Corporation’s board of directors (the “Board of Directors”) approval of audit services and fees, and
- approve the external auditors’ non-audit services and fees.

In preparing and updating this Procedure, the requirements of National Instrument 52-110 - Audit Committees and other practices are taken into account.

Definitions

Audit services and fees – professional services performed by the external auditor:

- to audit the Corporation’s annual financial statements,
- to review the annual MD&As and related publicly-disclosed financial information,
- if requested by the Audit Committee, to review the quarterly financial statements, MD&As and related publicly-disclosed financial information, and
- that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements and the fees for such services.

External auditor – the public accounting firm recommended by the Audit Committee for nomination by the Board of Directors, and appointed by shareholders.

Non-audit services and fees – all services other than audit services performed by the external auditor, and the fees for such services.

Procedures and Implementation

The external auditors of the Corporation are appointed annually by shareholders at the annual meeting of Enercare or by written resolution. The auditors report directly to the Audit Committee.

Subsequent to their appointment, the auditors prepare their plan for audit services and non-audit services that have been requested by the Corporation’s management or Board of Directors to be performed. A number of the non-audit services have a recurring nature, such as income tax filings, but the nature and extent of the requirements will change over time.

All audit and non-audit fees and services to be performed by the auditors must be approved by the Audit Committee. In addition, the Audit Committee recommends to the Board of Directors approval of the compensation of the external auditors on at least an annual basis, including audit fees.

Audit services and fees

Following their appointment by shareholders, the external auditors shall coordinate with the Audit Committee and management to prepare the scope of their annual audit an estimate of the fees in respect of the annual audit and for other audit services. In addition, if requested by the Audit Committee, they should plan for review procedures on the unaudited interim financial statements and related information.

The external auditors should present their proposals to the Audit Committee for review, discussion, and changes if appropriate. The Audit Committee shall approve the estimated fees for audit services.

Following this approval, the Audit Committee shall recommend approval of those fees by the Board of Directors.

Non-audit services and fees

Management shall advise promptly the Audit Committee of each non-audit service to be undertaken by the external auditors, together with the related fees. At each regularly scheduled Audit Committee meeting, management will provide the Committee with details of the known or planned non-audit services to be provided by the external auditors, together with the estimated fees proposed for the work. The Audit Committee will review and discuss the requests, make any changes to the scope or timing of the services to be performed, and approve the services and fees with which they are satisfied.

To facilitate the ongoing process, in addition to any services and fees approved by the Audit Committee in its regularly scheduled meetings or as approved by the Chair of the Audit Committee or individual Audit Committee member as described below, management of the Corporation has been pre-approved for non-audit fees for the following services in an aggregate amount up to \$50,000. These services are limited to:

- statutory or regulatory filings or engagements,
- due diligence support on acquisitions,
- planning, analysis and support regarding international financial reporting standards,
- preparation and support regarding the income and other tax returns for the Corporation and its affiliates, and
- analysis and support of hedge accounting.

In the event that management believes other non-audit services are required to be performed between Audit Committee meetings, the Chair of the Audit Committee (or in his or her absence, any other member of the Audit Committee) has the authority of the Audit Committee to approve such services and fees. It is understood that the details of any such projects would be brought forward to the Audit Committee at the next scheduled meeting following such approval.

Documentation

All Audit Committee meetings will be documented by minutes prepared and approved in the normal course. Documentation of any projects approved by the Chair or other member of the Audit Committee should be documented and retained by the Corporation's CFO or his/her delegate.

This Procedure will be reviewed at least annually by the Audit Committee, or more frequently as it deems appropriate. The Audit Committee shall report to the Board of Directors any changes approved by the Audit Committee to this Procedure.