

**VENZEE TECHNOLOGIES INC.**

**AUDIT COMMITTEE CHARTER**

## I. INTRODUCTION

The Audit Committee (the “**Committee**”) is a standing committee appointed by the board of directors (the “**Board**”) of Venzee Technologies Inc. (the “**Corporation**”). The Committee is established to fulfill applicable securities law obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, including to:

- (a) oversee the integrity of the Corporation’s financial statements and financial reporting process, including the audit process and the Corporation’s internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- (b) oversee the qualifications and independence of the external auditors;
- (c) oversee the work of the Corporation’s financial management and external auditors in these areas; and
- (d) provide an open avenue of communication between the external auditors, the Board and management of the Corporation.

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members: (i) to plan or conduct audits, (ii) to determine that the Corporation’s financial statements are complete and accurate and are in accordance with International Financial Reporting Standards, or (iii) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee, its chair and its audit committee financial expert members are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities. In particular, the member or members identified as audit committee financial experts shall not be accountable for giving professional opinions on the internal or external audit of the Corporation’s financial information.

Management is responsible for the preparation, presentation and integrity of the Corporation’s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. The chief financial officer is responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Corporation’s annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with International Financial Reporting Standards.

## II. PROCEDURES, POWERS AND DUTIES

The Committee shall have the following procedures, powers and duties:

1. *Composition* – The Committee shall consist of at least three members, all of whom shall be independent within the meaning of National Instrument 52-110 –*Audit Committees*. All members of the Committee must be or, within a reasonable period following appointment, become

financially literate, meaning that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of 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.

Should at any time the Committee not meet the composition requirements because of death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstances of one or more of the members who were on the Committee, these requirements shall not be applicable for a period of 180 days during which time the remaining members shall appoint additional members, as necessary, who qualify to sit on the Committee and whose appointment(s) will result in the Committee meeting the composition requirements.

2. *Separate Executive Meetings* – The Committee shall meet periodically with management (including the chief financial officer) and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without management present.
3. *Professional Assistance* – The Committee may require the external auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee's duties at the Corporation's expense.
4. *Reliance* – Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on: (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations, and (iii) representations made by management and the external auditors as to any information technology, internal audit and other non-audit services provided by the external auditors to the Corporation and its subsidiaries.
5. *Reporting to the Board* – The Committee will report through the chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.
6. *Procedure* – The Committee meetings shall be conducted as follows: (i) questions arising at any meeting shall be decided by a majority of the votes cast, (ii) decisions may be taken by written consent signed by all members of the Committee, and (iii) meetings may be called by the external auditors of the Corporation or any member of the Committee upon not less than 48 hours notice, unless such notice requirement is waived by the Committee members. The external auditors of the Corporation are entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the external auditors.
7. *Access* – The Committee is entitled to full access to all books, records, facilities and personnel of the Corporation and its subsidiaries. The Committee may require such officers, directors and employees of the Corporation and its subsidiaries and others as it may see fit from time to time to

provide any information about the Corporation and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee.

### **III. AUDIT RESPONSIBILITIES OF THE COMMITTEE**

#### **A. Selection and Oversight of the External Auditors**

1. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the shareholders of the Corporation and shall report to the Committee and the Committee shall so instruct the external auditors. The Committee shall evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Corporation to be proposed in the Corporation's management information circular for approval of the shareholders of the Corporation and the compensation to be paid by the Corporation to the external auditors. If a change in external auditors is proposed, the Committee shall review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.
2. The Committee shall approve in advance the terms of engagement of the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the external auditors, including *de minimis* exceptions, which policies and procedures shall include reasonable detail with respect to the services covered. All non-audit services to be provided to the Corporation or any of its subsidiaries by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee. The Committee will review disclosure respecting fees paid to the external auditors for audit and non-audit services. Any services under pre-approval will be reported at the following meeting.
3. The Committee shall review the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:
  - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
  - (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Corporation and its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;
  - (c) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies; and

- (d) ensure periodic rotation of lead audit partner.
- 4. The Committee shall establish and monitor clear policies for the hiring by the Corporation of employees or former employees of the external auditors.
- 5. The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require.
- 6. The Committee is responsible for resolving disagreements between management and the external auditors regarding financial reporting and the application of any accounting principles or practices. The Committee shall discuss with the external auditors any difficulties that arose with management during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies.

**B. Oversight and Monitoring of Audits**

- 1. The Committee shall review with the external auditors and management the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements of the Corporation and its subsidiaries, the overall audit plans, the responsibilities of management and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.
- 2. The Committee shall meet periodically with management (including meetings with the Board in absence of management) to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with management and the adequacy of management's responses in correcting audit-related deficiencies.
- 3. The Committee shall review with management the results of internal and external audits.
- 4. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

**C. Oversight and Review of Accounting Principles and Practices**

- 1. The Committee shall, as it deems necessary, oversee, review and discuss with management and the external auditors:
  - (a) the quality, appropriateness and acceptability of the Corporation's accounting principles and practices used in its financial reporting, changes in the Corporation's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;

- (b) all significant financial reporting issues and judgments made in connection with the financial statements, including the effect of any alternative treatment within International Financial Reporting Standards;
- (c) any material change to the Corporation's auditing and accounting principles and practices as recommended by management or the external auditors or which may result from proposed changes to applicable International Financial Reporting Standards;
- (d) the effect of regulatory or accounting limitations on the Corporation's financial reporting;
- (e) any reserves, accruals, provisions, estimates or Corporation programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Corporation;
- (f) any legal matter, claim or contingency that could have a significant impact on the financial statements and any material reports, inquiries or correspondence from regulators or governmental authorities regarding compliance with applicable requirements and any analysis respecting disclosure with regard to any such legal matter, claim or contingency in the financial statements;
- (g) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Corporation's operations;
- (h) the use of any "pro-forma" or "adjusted" information not in accordance with International Financial Reporting Standards; and
- (i) management's determination of goodwill impairment, if any, as required by applicable accounting standards.

**D. Oversight and Monitoring of Internal Controls**

1. The Committee shall, as it deems necessary, exercise oversight of, review and discuss with management and the external auditors:
  - (a) the adequacy and effectiveness of the Corporation's internal accounting and financial controls and the recommendations of management and the external auditors for the improvement of accounting practices and internal controls;
  - (b) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and
  - (c) management's compliance with the Corporation's processes, procedures and internal controls.

**E. Communications with Others**

1. The Committee shall establish and monitor procedures for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters

and the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management these procedures and any significant complaints received.

**F. Oversight and Monitoring of the Corporation's Financial Disclosures**

1. The Committee shall:
  - (a) review with the external auditors and management and recommend to the Board for approval the audited annual financial statements and the notes and management's discussion and analysis accompanying such financial statements, and the Corporation's annual report;
  - (b) review with the external auditors and management each set of interim financial statements and the notes and management's discussion and analysis accompanying such financial statements; and
  - (c) review with the external auditors and management any financial statements included or to be included in a prospectus, any financial information of the Corporation contained in any management information circular of the Corporation, and any other disclosure documents or regulatory filings of the Corporation containing or accompanying financial information of the Corporation.
2. Such reviews shall be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.
3. Prior to their distribution, the Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Corporation gives earning guidance.
4. The Committee shall review with management the assessment of the Corporation's disclosure controls and procedures and material changes in their design.

**G. Oversight of Finance Matters**

1. Appointments of the key financial executives involved in the financial reporting process of the Corporation, including the chief financial officer, shall require the prior review of the Committee.
2. The Committee shall receive and review:
  - (a) periodic reports on compliance with requirements regarding statutory deductions and remittances, the nature and extent of any non-compliance together with the reasons therefor and the management's plan and timetable to correct any deficiencies;

- (b) material policies and practices of the Corporation respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Corporation; and
  - (c) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.
- 3. The Committee shall meet periodically with management to review and discuss the Corporation's major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.
- 4. The Committee shall meet with management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

#### **H. Business and Ethical Conduct**

- 1. The Committee shall:
  - (a) periodically review and approve any changes to the "Code of Business Conduct and Ethics" for any directors, officers and employees of the Corporation and its subsidiaries and be responsible for granting any waivers from the application of such code; and
  - (b) review management's monitoring of compliance with such code.

#### **I. Additional Responsibilities**

- 1. The Committee shall review any significant or material transactions outside the Corporation's ordinary activities.
- 2. The Committee shall review and make recommendations to the Board concerning the financial condition of the Corporation and its subsidiaries, including with respect to annual budgets, corporate borrowings, investments, capital expenditures, long term commitments and the issuance and/or repurchase of securities.
- 3. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

#### **IV. AUDIT COMMITTEE CHARTER**

- 1. The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

2. The Committee shall ensure that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements in the annual management information circular or annual information form of the Corporation.

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