



**DYE & DURHAM LIMITED**  
(the “Corporation”)

***CHARTER OF THE AUDIT COMMITTEE***

This Charter of the Audit Committee (the “**Charter**”) was adopted by the board of directors of the Corporation on July 10, 2020.

**1. Purpose**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of the Corporation. The members of the Committee and the chair of the Committee (the “**Chair**”) are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Corporation’s financial controls and reporting and monitoring whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

**2. Composition**

The Committee should be comprised of a minimum of three directors of the Corporation.

All members of the Committee must (except to the extent permitted by NI 52-110 – *Audit Committees*, as it may be amended or replaced from time to time (“**NI 52-110**”)) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.

No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or any of its subsidiaries.

All members of the Committee must be financially literate (which is defined as 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).

Any member of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee on ceasing to be a director of the Corporation. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy will exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

### **3. Limitations on Committee's Duties**

In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee will be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (a) the integrity of the persons and organizations from whom they receive information, (b) the accuracy and completeness of the information provided, (c) representations made by the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel and such other members of senior management of the Corporation as the Board may from time to time determine (collectively, the "**Executive Management Group**") as to the non-audit services provided to the Corporation by the external auditor, (d) financial statements of the Corporation represented to them by a member of the Executive Management Group or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with applicable generally accepted accounting principles, and (e) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

### **4. Meetings**

The Committee shall meet regularly, but not less frequently than quarterly. A quorum for the transaction of business at any meeting of the Committee will be a majority of the members of the Committee or such greater number as the Committee will by resolution determine. The Committee will keep minutes of each meeting of the Committee. A copy of the minutes will be provided to each member of the Committee.

Meetings of the Committee will be held from time to time and at such place as any member of the Committee will determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor will be entitled to request that the Chair call a meeting.

The Committee may ask members of the Executive Management Group and employees of the Corporation (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee will have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and will be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with the Executive Management Group, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with the Executive Management Group and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should

meet with the Executive Management Group quarterly in connection with the Corporation's interim financial statements. The Committee shall hold executive sessions without management present at each Committee meeting.

The Chair will determine any desired agenda items.

## **5. Committee Activities**

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

### **A. Financial Disclosure**

- (a) Review and recommend for Board approval the Corporation's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and, if applicable, the related management's discussion & analysis and press release.
- (b) Review and recommend for Board approval the Corporation's annual financial statements, including, if applicable, any certification, report, opinion or review rendered by the external auditor, the annual information form and the related management's discussion & analysis and press release.
- (c) Review and recommend for Board approval any other material press releases that contain financial information and such other financial information of the Corporation provided to the public or any governmental body as the Committee requires.
- (d) Satisfy itself that adequate procedures have been put in place by the Executive Management Group for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the related management's discussion & analysis.
- (e) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
- (f) Receive periodically reports from the Executive Management Group assessing the adequacy and effectiveness of the Corporation's disclosure controls and procedures.

### **B. Internal Control**

- (a) Review the Executive Management Group's process to identify and manage the significant risks associated with the activities of the Corporation.

- (b) Review the effectiveness of the internal control systems for monitoring compliance with financial disclosure matters, financial risk management, laws and regulations.
- (c) Have the authority to communicate directly with the Chief Financial Officer.
- (d) Receive periodical Executive Management Group reports assessing the adequacy and effectiveness of the Corporation's internal control systems.
- (e) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with the Executive Management Group, the Chief Financial Officer and the external auditors and assess whether recommendations made by the Chief Financial Officer or the external auditors have been implemented by the Executive Management Group.

**C. Relationship with the External Auditor**

- (a) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
- (b) Have the authority to communicate directly with the external auditor and the Chief Financial Officer of the Corporation and arrange for the external auditor to be available to the Committee and the Board as needed.
- (c) Advise the external auditor that it is required to report to the Committee and not to the Executive Management Group.
- (d) Monitor the relationship between the Executive Management Group and the external auditor, including reviewing any the Executive Management Group letters or other reports of the external auditor, discussing any material differences of opinion between the Executive Management Group and the external auditor and resolving disagreements between the external auditor and the Executive Management Group.
- (e) Review and discuss with the external auditor all critical accounting policies and practices to be used in the Corporation's financial statements, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the external auditor.
- (f) Review any material issues regarding accounting principles and financial statement presentation with the external auditor and management, including any significant changes in the Corporation's selection or application of accounting principles and any significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements.
- (g) If considered appropriate, establish separate systems of reporting to the Committee by each of the Executive Management Group and the external auditor.

- (h) Review and discuss on an annual basis with the external auditor all significant relationships they have with the Corporation, the Executive Management Group, the external asset manager or employees that might interfere with the independence of the external auditor.
- (i) Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable laws) to be provided by the external auditor.
- (j) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
- (k) Periodically consult with the external auditor without the Executive Management Group present about (i) any significant risks or exposures facing the Corporation, (ii) internal controls and other steps that the Executive Management Group has taken to control such risks, and (iii) the fullness and accuracy of the financial statements of the Corporation, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (l) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Corporation.

**D. Audit Process**

- (a) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- (b) Following completion of the annual audit and quarterly reviews, review separately with each of the Executive Management Group and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (c) Review any significant disagreements among the Executive Management Group and the external auditor in connection with the preparation of the financial statements.
- (d) Where there are significant unsettled issues between the Executive Management Group and the external auditor that do not affect the audited financial statements, the Committee will seek to ensure that there is an agreed course of action leading to the resolution of such matters.
- (e) Review with the external auditor and the Executive Management Group significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.

- (f) If applicable, review the system in place to seek to ensure that the financial statements, management's discussion & analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

#### **E. Financial Reporting Processes**

- (a) Review the integrity of the Corporation's financial reporting processes, both internal and external, in consultation with the external auditor.
- (b) Periodically consider the need for an internal audit function, if not present.
- (c) Approve any changes to the internal auditor, if applicable, or to the reporting lines of the internal auditor.
- (d) Review all material financial statement issues, off balance sheet issues, material contingent obligations and material related party transactions.
- (e) Review with the Executive Management Group and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with the Executive Management Group, the ramification of their use and the external auditor's preferred treatment and any other material communications with the Executive Management Group with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

#### **6. General**

- (a) Inform the Board of matters that may significantly impact on the financial condition or affairs of the business.
- (b) Respond to requests by the Board with respect to the functions and activities that the Board requests the Committee to perform.
- (c) Annually review this Charter and, if the Committee deems appropriate, recommend to the Board changes to this Charter.
- (d) If applicable, review the public disclosure regarding the Committee required from time to time by NI 52-110.
- (e) The Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.
- (f) Review in advance, and consult in, the hiring and appointment of the Corporation's internal auditor, if applicable.

- (g) Perform any other activities as the Committee or the Board deems necessary or appropriate.

**7. Complaint Procedures**

- (a) Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its external auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing, ethical or other matters.
- (b) Complaints are to be directed to the attention of the Chair and the Chair will report to the Committee quarterly on any complaints received and their resolution.
- (c) The Committee should endeavour to keep the identity of the complainant confidential.
- (d) The Chair will have the power and authority to lead the review and investigation of a complaint. The Committee should retain a record of all complaints received. Corrective action may be taken when and as warranted.