

AUDIT COMMITTEE MANDATE

A. PURPOSE

1. The Audit Committee (the “Committee”) provides assistance to the Board of Directors in fulfilling their oversight responsibility to the members, relating to:
 - (a) the integrity of Opimian’s financial statements;
 - (b) the effectiveness of Opimian’s internal control over financial reporting;
 - (c) Opimian’s compliance with legal and regulatory requirements;
 - (d) the role and independence of the external auditor; and
 - (e) the financial risks including risks related to the application of information technology.

B. MEMBERSHIP AND ATTENDANCE AT MEETINGS

1. The members of the Committee shall consist of the Treasurer of Opimian and at least two other Directors who are appointed by the Board, are independent of management and financially literate.
2. The Chair of the Committee shall be the Treasurer of the Society or such other person as may be designated by the Board.
3. Attendance by invitation at all or a portion of Committee meetings is determined by the Committee Chair or its members and may include the auditor and such other advisors or support staff as may be deemed appropriate.

C. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

To assist the Board in meeting its responsibilities as noted above, the Committee will discharge the following responsibilities:

1. Review and recommend to the Board for approval the annual audited financial statements and all other financial statements.
2. Review and assess, in conjunction with management and the external auditor:
 - (a) The appropriateness of accounting policies and financial reporting practices used by Opimian;
 - (b) Any significant proposed changes in accounting policies and practices to be adopted by Opimian;
 - (c) Identification of Opimian’s principle risks and uncertainties and the systems to manage such risks and uncertainties;

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- (d) The integrity of Opimian's internal control and management information systems; and
 - (e) The key estimates and judgments of management that may be material to the financial reporting of Opimian.
- 3. Assess the performance and consider the annual appointment of external auditors for recommendation to the Board for ultimate recommendation for appointment by the members.
- 4. Review the terms associated with the annual external audit engagement including staffing, objectives and scope, materiality limits, audit reports required, areas of audit risk, timetable and proposed fees.
- 5. Review the fees paid to the external auditors or its affiliates for non-audit services, and consider the impact on the independence of the external audit work.
- 6. Review with the external auditors the results of the annual audit examination including, but not limited to the following:
 - (a) Any difficulties encountered, or restrictions imposed by management, during the annual audit;
 - (b) Any significant accounting or financial reporting issues;
 - (c) The auditor's evaluation of Opimian's system of internal accounting controls, procedures and documentation;
 - (d) The post-audit or management letter containing any findings or recommendations of the external auditor including management's response thereto and the subsequent follow-up to any identified internal accounting control weaknesses; and
 - (e) Any other matters which the external auditors should bring to the attention of the Committee.
- 7. Meet with the external auditors, at least annually or as requested by the auditors, without management representatives present; and to meet with management, at least annually, without the external auditors present.
- 8. Annually, obtain reasonable assurance, and management certification, that the accounting systems are reliable, that the system of internal controls is effectively designed and implemented and that Opimian complies with all relevant legal and regulatory requirements.
- 9. Annually request the external auditor to provide its views on the quality (not just the acceptability) of the Society's annual financial reporting. Such quality assessment should encompass judgments about the appropriateness, aggressiveness or conservatism of

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estimates and elective accounting principles or methods and judgments about the clarity of disclosures.

10. When there is to be a change in auditor, review all issues related to the change and the planned steps for an orderly transition.
11. Review any litigation, claim or other contingency that could have a material effect upon the financial position or operating results of Opimian, and the manner in which these matters have been disclosed in the financial statements.
12. Review the internal control and approval policies and practices concerning the expenses of the officers of Opimian.
13. Request such information and explanations in regard to the accounts of Opimian as the Committee may consider necessary and appropriate to carry out its duties and responsibilities.
14. Review all proposed related party transactions.
15. Ensure that management reviews and updates Opimian's business and financial risk exposure.
16. Review annually the terms of reference for the Committee and recommend any required changes to the Board.
17. Impose upon itself the obligation to evaluate its own performance periodically.
18. Assist with Finance Manager succession planning and implementation.
19. Provide reports and minutes of meetings to the Board.

D. MEETINGS

1. The Committee shall meet a minimum of four times per year with timing at the prerogative of the Chair.
2. Meetings may be called by the Committee Chair or by a majority of the Committee members.
3. Meetings are chaired by the Committee Chair or, in the Chair's absence, by a member chosen by the Committee from among themselves.
4. A quorum for the transaction of business at any meeting of the Committee is a majority of members.
5. The General Manager shall provide for the delivery of notices, agendas and supporting materials to the Committee members at least 7 days prior to the date of the meeting. The agenda shall be developed in consultation with the Chair.

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6. Meetings may be conducted with members present, or by telephone or other communications facilities which permit all persons participating in the meeting to hear or communicate with each other.
7. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee is as valid as one passed at a Committee meeting.
8. The Committee shall appoint a secretary for the Committee who shall keep a record of minutes of all meetings of the Committee.
9. Minutes of the meetings of the Committee, prepared in draft, shall be distributed by the secretary to all members of the Committee within fourteen (14) working days of each meeting, and shall be submitted for approval at the next regular meeting of the Committee.

Adopted by the Board effective February 21, 2015