

Finance and Audit Committee

Terms of Reference

Approved January 2018



1. Introduction

The Board of Directors of Nordiq Canada has a duty to monitor the operations and affairs of Nordiq Canada; financial performance and financial position are critical in this regard.

2. Purpose

The Board has delegated to the Finance and Audit Committee (the “Committee”) the responsibility for reviewing Nordiq Canada’s financial affairs with Nordiq Canada Management and others and reporting thereon to the Board.

3. Accountability

Reports to the Nordiq Canada Board.

4. Mandate

The Committee will ensure the appropriate skills, experience and perspectives are brought to bear to evaluate the actions of Management, the external auditors, investment managers and others and report to the Board concerning budgets, financial controls and reporting, the external audit and investments. The Committee also manages the investment initiatives relating to the Nordiq Canada Development Fund including the annual determination of the amount of funds to be disbursed.

5. Membership

The Committee shall be composed of a minimum of three members of the Board, to be appointed by the Board, plus the CEO. Appointments of Board members to the Committee are for one-year terms, concluding at the time of the Annual General Meeting.

6. Chairperson

The Chair of the Committee shall be selected by the members of the Committee. The Chair of the Committee shall be responsible for providing leadership to the Committee (i.e. convening meetings; developing agendas; assigning, supervising and coordinating the Committee work); and representing the Committee in communication to the Board, Members, external auditors and others.

7. Decision-Making

The Committee shall endeavour to make decisions by consensus. In case of disagreement, Committee members shall cast votes.

8. Meetings

- a. The Committee shall meet, in person or by teleconference, at least three times each year. One such meeting shall be to review the operating budget proposed by Management for the coming year and to recommend to Management any changes it considers desirable prior to such budget being submitted to the Board for approval. A second meeting shall be to review the results of a Variance Analysis prepared by Management based on November 30 financial statements. A third meeting shall be to review draft audited financial statements and any issues the external auditors wish to bring to the attention of the Board, prior to such statements being submitted to the Board for approval.
- b. The Committee will report to all Nordiq Canada Board meetings and to the Annual General Meeting of Members.

9. Review

These terms of reference are to be reviewed, updated as appropriate and approved annually by the Board.