



STRONGCO CORPORATION

AUDIT COMMITTEE CHARTER

1. Purpose

The primary function of the Audit Committee is to assist the board of directors (the "**Board**") of Strongco Corporation (the "**Corporation**") and the members of the Board (the "**Directors**") in fulfilling their oversight responsibilities by reviewing the financial information which will be provided to shareholders of the Corporation and others, the systems of internal controls which management has established, the Corporation's audit and financial reporting process, the integrity of the Corporation's financial statements and compliance by the Corporation with legal and regulatory requirements.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section 4 of this Charter. The Audit Committee shall be given full access to the Corporation's management, records and external auditors as necessary to carry out these responsibilities. For purposes of this Charter, the "**Corporation**" refers to Strongco Corporation together with its subsidiaries and controlled entities.

The Corporation's external auditor shall report directly to the Audit Committee.

2. Composition

The Audit Committee shall be comprised of not fewer than three Directors, each of whom is an independent director. For purposes of this Charter, an "**independent**" director is one who has no direct or indirect material relationship with the Corporation. A "**material relationship**" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement. For further guidance on the issue of independence, the Directors should consult section 1.4 of National Instrument 52-110 - Audit Committees (a copy of which is attached).

All members of the Audit Committee shall be financially literate. "**Financial literacy**" means 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.

3. Authority

In recognition of the fact that the external auditors are ultimately accountable to the Board and the Audit Committee as representatives of the shareholders of the Corporation, the Audit Committee shall have the primary responsibility to select, evaluate and recommend to the Board the appointment or re-appointment and where appropriate, replacement, of the external auditors and shall review and recommend all audit engagement fees and terms and all

non-audit engagements with the external auditors. The Audit Committee will also discuss the rotation of the engagement of the audit partners when required. The Audit Committee shall consult with management but shall not delegate these responsibilities. The Audit Committee shall have the authority to communicate directly with internal and external auditors.

4. Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

- (a) recommend to the Board: (i) the external auditor to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation; and (ii) the compensation of the external auditors;
- (b) oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) pre-approve the scope and cost of all non-audit services to be provided to the Corporation by the external auditors;
- (d) review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- (e) review significant accounting and reporting issues (and any analyses prepared by management and/or external auditors related thereto) and understand their impact on the Corporation's financial statements;
- (f) satisfy itself that adequate procedures and internal controls are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in (d) above, and periodically assess the adequacy of those procedures;
- (g) establish procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- (i) review the accounting principles, policies and practices followed by the Corporation in accounting for and reporting its financial results of operations and satisfy themselves as to the appropriateness thereof;
- (j) obtain on an annual basis a formal written statement from the external auditors delineating all relationships between the external auditor and the Corporation, and review and discuss with the external auditors such relationships to determine the "independence" of the auditors;
- (k) review any management letter prepared by the external auditors concerning the Corporation's internal financial controls, record keeping and other matters and management's response thereto;
- (l) discuss with the external auditors their views about the quality of the implementation of Canadian Generally Accepted Accounting Principles and International Financial Reporting Standards, as applicable, with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles and meet in private with appropriate members

of management and separately with the external auditors to share perceptions on these matters, discuss any potential concerns and agree upon appropriate action plans;

- (m) approve the scope of the annual audit, the audit plan, the access granted to the Corporation's records and the co-operation of management in any audit and review function;
- (n) review the effectiveness of the independent audit effort, including approval of the fees charged in connection with the annual audit, any quarterly reviews and any non-audit services being provided;
- (o) assess the effectiveness of the working relationship of the external auditors with management of the Corporation;
- (p) review key regulatory developments and their implications for the Corporation;
- (q) review the risk management policies followed by the Corporation in operating its business activities and the completeness and fairness of any disclosure thereof;
- (r) assess the risk of fraud and error for the Corporation and its financial reports and monitor management's role in controlling fraud and error;
- (s) review annually this Audit Committee Charter for adequacy and recommend any changes to the Board;
- (t) report to the Board on the major items covered at each Audit Committee meeting and make recommendations to the Board and management concerning these matters;
- (u) perform any other activities consistent with this Audit Committee Charter, the Corporation's articles and by-laws and governing law as the Audit Committee or the Board deem necessary or appropriate;
- (v) review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance;
- (w) ensure that the appropriate internal controls over financial reporting are in place, and that the Corporation's public disclosure of financial information is timely and accurate, so as to permit the Chief Executive Officer and the Vice-President and Chief Financial Officer to provide the required certification of the Corporation's annual and interim filings;
- (x) review annually the Corporation's disclosure controls and procedures, including any significant deficiencies or material non-compliance with such controls and procedures; and
- (y) ensure that the information required by the various committees of the Board is available to them so as to permit them to fulfil their mandates.

5. Relationship to Internal Audit

The Audit Committee will:

- (a) review and approve management's decisions relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, approve the supplier of such service;
- (b) ensure that an effective system of disclosure controls and procedures and internal control over financial reporting for the Corporation has been designed and is being implemented so as to provide reasonable assurance:
 - (i) that material information relating to the Corporation is made known to the appropriate officers of the Corporation by others within the Corporation; and

- (ii) regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the appropriate accounting procedures;

such that the Chief Executive Officer and the Vice-President and Chief Financial Officer may certify the Corporation's annual and interim filings as required under applicable securities laws, rules and policies;

- (c) approve the mandate for the internal audit function;
- (d) review annually the internal audit department's objectives, goals, staffing and financial budget;
- (e) ensure that the Vice-President and Chief Financial Officer has direct and open communication with the Audit Committee with respect to planned audits, findings, recommendations and management response thereto, and that the Vice-President and Chief Financial Officer meets with the Audit Committee without other management personnel present; and
- (f) ensure that, taken together, the work of the internal and external auditors provide an appropriate level of audit coverage and is effectively coordinated.

6. Audit Committee Meetings

The Audit Committee will meet on a regular basis, at least quarterly, and will hold special meetings as circumstances require. The timing of the meetings, and the calling of and procedure at meetings, shall be determined by the Chairman of the Audit Committee. A majority of the members of the Audit Committee present in person or participating by conference telephone shall constitute a quorum of the Audit Committee.

The acts of the Audit Committee at a duly constituted meeting shall require no more than the vote of a majority of the members present. A resolution or other instrument in writing signed by all members of the Audit Committee shall constitute an act of the Audit Committee.

The Audit Committee will meet whenever requested by the external auditors or any member of the Audit Committee. Following each meeting of the Audit Committee, the Chairman of the Audit Committee shall report on the activities of the Audit Committee to the Board at the next meeting of the Board. The Audit Committee shall keep and approve minutes of its meetings in which all actions taken by the Audit Committee shall be recorded, and which minutes shall be available as soon as practicable to the Board.

7. Resources

The Audit Committee shall have the authority to retain independent legal, accounting and other advisors to advise it, and to set and pay the compensation for any such legal, accounting or other advisors. The Audit Committee may request any officer or employee of the Corporation or outside consultants to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The Audit Committee shall advise the Board on the extent of funding, if any, that may be necessary for payment of compensation to any consultants retained to advise the Audit Committee.

Approved by the Board of Directors on July 1, 2010
and amended on March 29, 2011

Ratified and confirmed by the Board of Directors on March 21, 2018.