

CIC CAPITAL LTD.

AUDIT COMMITTEE CHARTER

I. Audit Committee Purpose

The Audit Committee (the "Committee") is a committee selected from the board of directors (the "Board") of CIC Capital Ltd. (the "Company") whose primary function is to manage and maintain the effectiveness of the financial aspects of the governance structure of the Company.

II. Committee Composition, Appointment and Procedures

1. Structure and Composition of Committee

The Committee shall be comprised of not less than two directors, all of whom must be independent directors in accordance with applicable regulatory and stock exchange requirements.

2. Financial Literacy

All members of the Committee shall have 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 financial statements of the Company.

3. Appointment of Committee Members

Members of the Committee shall be appointed from time to time and shall hold office at the pleasure of the Board, upon the recommendation of the Corporate Governance and Nominating Committee.

4. Vacancies

(a) Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

(b) The Board shall fill any vacancy if the membership of the Committee is less than three Directors.

5. Committee Chairman

The Board shall appoint a Chairman for the Committee.

6. Absence of Committee Chairman

If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

7. Secretary of Committee

The Secretary of the Company shall serve as the secretary of the Committee.

8. Meetings

(a) The Chairman of the Committee or the Chairman of the Board, or any two members of the Committee may call a meeting of the Committee.

(b) The Committee shall meet at such times during each year as it deems appropriate.

(c) The Committee will ordinarily meet in camera at the end of each of its formal meetings and may meet in camera at any other time as required.

(d) There shall be three senior management personnel available for meetings of the Committee at the invitation of the Chairman of the Committee. These three persons will be those holding the positions of Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

(e) Representatives of the external auditors shall be available for Committee meetings at the invitation of the Chairman of the Committee.

9. Quorum

A majority of the members of the Committee shall constitute a quorum.

10. Notice of Meetings

(a) Notice of the time and place of every meeting shall be given in writing (including by way of written facsimile communication) to each member of the Committee at least 72 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting.

(b) Attendance of a member at a meeting constitutes a waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11. Review

The Committee shall review its performance and this Charter annually or otherwise as it deems appropriate and propose recommended changes to the Board.

III. Responsibilities of the Committee

12. The Committee shall:

(a) Review all quarterly un-audited and annual audited financial statements and accompanying reports to the shareholders, MD&A, related annual and interim earnings press releases, earnings guidance disclosure or any other disclosure based on the Company's financial statements prior to the release of those statements.

(b) Make recommendations to the Board for approval with respect to the annual audited financial statements and, in each case, review:

- (i) The appropriateness of the Company's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.
- (ii) The existence and substance of significant accruals, estimates, or accounting judgments, and the level of conservatism.
- (iii) Unusual or extraordinary items, transactions with related parties, and adequacy of disclosures.
- (iv) Asset and liability carrying values.
- (v) Income tax status and related reserves.
- (vi) Qualifications contained in letters of representation.
- (vii) Assurances of compliance with covenants in trust deeds or loan agreements.
- (viii) Business risks, uncertainties, commitment, and contingent liabilities.
- (ix) The adequacy of explanations for significant financial variances between years.

(c) Review the Company's Annual Information Form and management proxy circular and make a recommendation for approval thereof to the Board.

(d) Oversee the external audit process, including:

- (i) The selection and appointment of an auditing firm to conduct the annual audit of the Company's annual financial statements and review of the Company's quarterly financial statements (and related notes and management's discussion and analysis in each case).
- (ii) Assessing the independence of appointed auditing firm.

- (iii) Reviewing of the external audit plan comprising a fee estimate, objectives scope, materiality, timing, locations to be visited, areas of audit risk, and co-ordination with Internal Audit.
 - (iv) Reviewing of audit reports and reviews and findings, including corresponding management responses.
 - (v) Approving the audit fee.
 - (vi) Establishing, from time to time, pre-approval arrangements for specific categories of permitted audit related services.
 - (vii) Private discussions regarding the quality of financial personnel, the level of co-operation received unresolved material differences of opinion or disputes, and the effectiveness of the work of Internal Audit.
- (e) Oversee the external non-audit process, including:
- (i) Approving the nature of any non-audit services provided and any material mandates by the auditing firm to the Company or its subsidiary entities, the fees charged by the firm for such services and the impact on the independence of the auditor provided that the auditing firm is prohibited from providing appraisal or valuation services, fairness opinions, actuarial services, internal audit outsourcing services, management functions or human resources, bookkeeping or other services relating to the accounting records or financial statements of the Company or financial information systems designed in implementation.
 - (ii) Information as to the non-audit services provided by the auditing firm, the fees charged by the firm for such services and the impact on the independence of the auditor.
- (f) Oversee the internal audit function including:
- (i) Reviewing the annual audit plan including risk assessment, the location and activities selected to ensure appropriate involvement in the control systems and financial reporting, time and cost budgets, resources (both personnel and technological), and organizational reporting structure.
 - (ii) Reviewing audit progress, findings, recommendations, responses and follow up actions.
 - (iii) Private discussions as to internal audit independence, cooperation received from management, interaction with external audit, and any unresolved material disagreements with management.
 - (iv) Annual approval of audit mandate.
 - (v) Monitoring of compliance with the Company's financial code of conduct.
- (g) Review the effectiveness of control and control systems utilized by the Company in connection with financial reporting and other identified business risks.
- (h) Review with senior management and the external auditors the audits of subsidiaries performed by different external auditors, including significant issues and recommendations.
- (i) Review incidents of fraud, illegal acts and conflicts of interest.
- (j) Review documents filed with securities commissions, including the Company's annual information form and annual report.
- (k) Review material valuation issues.
- (l) Review the quality and accuracy of computerized accounting systems, the adequacy of the protection against damage and disruption, and security of confidential information through information systems reporting.
- (m) Review with senior management, the external auditors and legal counsel any litigation claim or other contingency that could have a material effect upon the financial position or operating results of the company with a view to appropriate disclosure.

- (n) Review the expenses and perquisites, including the use of company assets, by senior officers
- (o) Review material matters that come before audit committees of subsidiaries.
- (p) Review cases where management has sought accounting advice on a specific issue from an accounting firm other than the one appointed as Auditor.
- (q) Review policies and practices concerning officers' expenses and perquisites and, where appropriate, refer any issue to the Compensation Committee or to the Board of Directors.
- (r) Establish financial procedures for:
 - (i) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
 - (ii) The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (s) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

13. The Committee may, at the request of the Board, investigate such other matters as the Board considers appropriate in the circumstances.

IV. Resources Meetings and Reports

14. The Committee shall have adequate resources to discharge its responsibilities. The Committee may, for and on behalf of the Company and at the Company's sole expense, engage such consultants as it considers in its sole discretion necessary to assist it in fulfilling its duties and responsibilities.

15. The Committee shall meet not less than four times per year.

16. The meetings of the Committee shall ordinarily include the auditors and the Chairman of the Board shall be an ex officio member of the Committee if not otherwise appointed as a member of the Committee. The Committee may request the attendance of other officers at its meetings from time to time.

17. The Board shall be kept informed of the Committee's activities by a report presented at the Board meeting following each Committee meeting.

18. The Committee shall keep minutes of its meetings in which shall be recorded all actions taken by the Committee which minutes shall be made available to the Board.

19. The members of the Committee shall have the right, for the purposes of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Company and its subsidiaries.