

# **Mandate of the Chairperson of the Audit and Governance Committee**

Newfoundland Capital Corporation Limited (the “Company”)

## **MANDATE**

The Chairperson of the Audit and Governance Committee (“Chair”) provides leadership to the Audit and Governance Committee (“Committee”) in discharging its responsibilities. The Committee’s role is to assist the Board of Directors (“Board”) in fulfilling its oversight responsibilities with respect to the following:

- Accounting and financial reporting processes, internal financial controls, financial risk management systems and internal and external audit functions;
- The composition of the Board, the nomination of directors (“Directors”) to the Board, the recruitment and assessment of the performance of the President and Chief Executive Officer (CEO) and other senior officers, and the compensation of the CEO, other senior officers and Directors;
- Oversight of the compensation structure and benefit plans and programs of the Company;
- Corporate governance standards and practices; and
- Additional duties set out in the Audit and Governance Committee Charter or otherwise delegated to the Committee by the Board.

## **DUTIES AND RESPONSIBILITIES**

The Chair’s primary role is managing the affairs of the Committee, including having the Committee organized properly, functioning effectively and meeting its obligations and responsibilities to the Board. The Chair works with the Chairperson of the Board, the CEO, and the Chief Financial Officer (CFO) to provide effective relations with Committee members. The Chair maintains ongoing communications with the CFO and with other such senior officers of the Company as is determined appropriate. The Chair, in conjunction with the Committee, maintains ongoing direct communications with the Company’s external auditors.

### ***Planning***

- Development of Committee meeting agendas, including the co-ordination of information packages required, in conjunction with the Chairperson of the Board and the CFO;
- In collaboration with the CFO, provide the information requested by Committee members and see that the information meets their needs; and

- Establish, in conjunction with the Chairperson of the Board, the frequency of Committee meetings and review such frequency from time to time, as considered appropriate or as requested by the Chairperson of the Board or the Committee;

### ***Committee Leadership***

- Preside over all Committee meetings;
- Alert Committee members of their obligations pursuant to the Charter of the Audit and Governance Committee (“Charter”) and the law;
- Monitor the orderly and efficient use of time in the Committee meetings;
- Reasonably ensure the complete, adequate, and succinct reporting to the Board in a timely manner and on a regular basis;
- Assist the Board members in their recommendation of Committee members and their annual review of the performance and suitability of the Committee, and of the independence and financial literacy of the Committee members;
- Maintain a liaison and communication with the Committee members, Directors, and the Chairperson of the Board to co-ordinate input from Committee members and Directors, and optimize the effectiveness of the Committee;
- In conjunction with the Board, review and assess on an annual basis the Charter, Committee members’ attendance, performance, compensation, size and composition of the Committee.
- Lead the Committee in its process of review and approval, and where required the recommendation to the Board for approval of annual and interim financial statements, Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A), Press Releases involving earnings or other material financial information and other public disclosure of material financial information;
- Lead the Committee in overseeing the work of the Company’s financial management and the Company’s external auditors;
- Lead the Committee in overseeing the integrity of the Company’s financial statements and financial reporting process, including the audit process and the Company’s internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- Lead the Committee in assisting the Board in maintaining high standards of corporate governance; and
- Lead the Committee on overseeing the setting of policies for handling complaints or whistle-blowing as they may relate to financial reporting and processes, internal financial controls, financial risk management systems, external audit functions and the administration thereof.

### ***Nominating and Compensation Responsibilities***

Lead the Committee in assisting the Board in fulfilling its oversight responsibilities in respect of the following nominating and compensation matters:

- Composition of the Board;
- Recruitment and assessment of the performance of the CEO and senior officers;
- Compensation of the CEO, other senior officers and the Directors;
- Executive compensation disclosure; and
- Oversight of the compensation structure and benefit plans and programs of the Company.

### **APPOINTMENT**

The Chair shall be annually appointed by the Board and shall meet the independence requirements for Directors serving on audit committees under applicable laws, regulations and public listing requirements.

### **REQUIREMENTS FOR HOLDING THE POSITION**

To execute his or her responsibilities, the Chair shall:

#### ***Integrity and Accountability***

Demonstrate highest ethical standard or integrity and probity in his personal and professional dealings, and be willing to act on, and remain accountable for, his or her decisions;

#### ***Informed Judgment***

Develop a depth of knowledge of the Company's business and its strategic and business plans in order to exercise informed judgment while fulfilling the duties and responsibilities imposed upon the Chair.

#### ***Financial Literacy***

Meet the financial literacy requirements of applicable Company's laws, regulations and public listing requirements.

#### ***Track Record and Experience***

Bring a history of achievements that reflect high standards for himself and others.