

# AUDIT COMMITTEE CHARTER

Revised in 2024.

Approved by the Audit Committee on July 9, 2024

Adopted by the Board of Directors on July 10, 2024



## 1. STATEMENT OF POLICY

The Audit Committee (the “**Committee**”) is a standing committee of the Board of Directors (the “**Board**”) of Goodfellow Inc. (the “**Company**”) which has the responsibilities described under the heading “Responsibilities”. The Committee reports to the Board. The role of the Committee is to assist the Board in its oversight and supervision of (i) the integrity of the Company’s financial reporting, (ii) the Company’s internal controls, (iii) the independence, qualifications and performance of the external auditors, (iv) risk management and (v) the Company’s compliance with applicable securities legislation.

## 2. STRUCTURE

- 2.1. The Committee is made up of a minimum of three directors of the Company, each being independent and financially literate, except to the extent permitted under securities legislation. The terms “independent” and “financially literate” each have the meaning provided under the securities legislation.
- 2.2. The mandate of the members is for one year and may be renewed. The members are appointed by the Board at the first meeting following the annual meeting of shareholders, or at any other meeting to fill a vacancy. The Board may dismiss or replace a member at any time.
- 2.3. The Chair is appointed by the Board for a one-year term, which may be renewed. In the absence or failure of the Chair to sit, this role is filled by a member chosen by the Committee.
- 2.4. The Committee meets at least four times annually. The Chair of the Board, any member of the Committee, the external auditors, the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary may call special meetings as needed. The Committee determines the place, date and time of its meetings. The meetings may be held by telephone or by any other means allowing the members to communicate with each other. Unless waived by the members of the Committee, the Committee shall meet *in camera* at each meeting.
- 2.5. The quorum for meetings of the Committee is a majority of the members and decisions are made by the majority of the votes cast by the members present.
- 2.6. The Chair of the Committee approves meeting agendas and ensures that documents referred to in the agenda are forwarded to members of the Committee sufficiently in advance for their perusal. Any member of the Committee may propose the inclusion of additional items on the agenda, or at any Committee meeting raise subjects that are not on the agenda for that meeting.
- 2.7. Minutes of meetings of the Committee must accurately reflect the significant discussions and the decisions of the Committee and must be circulated to the members of the Committee for their approval. The Corporate Secretary, their

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designate or any other person the Committee requests, shall act as secretary of the Committee meetings. Minutes of the Committee meetings shall be recorded and maintained by the Corporate Secretary, or any other person acting in such capacity, and subsequently presented to the Board.

- 2.8. To facilitate communication between the Committee and the Board, the Chair must provide a report to the Board on material matters considered by the Committee at the first Board meeting following the Committee's meeting.
- 2.9. The Committee may invite any person deemed appropriate to a Committee meeting. However, such person does not have voting rights at the Committee's meeting.
- 2.10. The Committee has full access to members of management, other personnel, as well as to documents of the Company and its subsidiaries. The Committee has the authority to retain, at the cost of the Company, independent legal counsel, consultants or other advisors it considers necessary to carry out its mandate and fulfill its responsibilities, and to fix the compensation of such advisors.
- 2.11. The Committee has the power to communicate directly with the external auditors, accounting personnel and management, each of which shall have unrestricted access to the Committee. For the purpose of its duties, the Committee may examine the pertinent books and accounts of the Company and its subsidiaries.
- 2.12. The external auditors report and account directly to the Committee.

## 3. RESPONSIBILITIES

In carrying out its mandate and in addition to complying with legal responsibilities that may be attributed to it from time to time, the Committee has the following responsibilities and obligations:

### 3.1. Financial Disclosure

- Review the interim financial reports and annual financial statements accompanied by the external auditors' report, management's discussion and analysis and press releases regarding the financial results before their public release and recommend their approval to the Board. This review includes discussions with management and the external auditors regarding the interim financial reports and the annual financial statements and material questions concerning the accounting principles and practices of the Company.
- Review as directed by the Board or at the discretion of the Committee the other public documents which may disclose financial information, including all prospectuses, the management information circular, annual information form and annual report of the Company before their public release and recommend their approval to the Board.

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- Review and monitor practices and procedures relating to the certifications by the Chief Executive Officer and the Chief Financial Officer with respect to internal control over financial reporting and disclosure controls and procedures.
- Review and discuss with management and the external auditors the appropriateness, quality and disclosure of the accounting principles and practices, the underlying assumptions and the reporting practices of the Company, and the appropriateness of any significant changes thereto or any proposed material change, and ensure they comply with the applicable laws and regulations.
- Review, examine and discuss the foreseeable repercussions of any new audit or accounting standards, or new requirement under the securities legislation with management and the external auditors.
- Review, at least annually, the Company's strategy regarding distributions to shareholders generally, including strategy with respect to dividends and making recommendations to the Board with respect to the repurchase of shares of the Company.
- Review the disclosure of the pension plans and other post-employment benefits of the Company in the annual financial statements.

## **3.2. Risk Management and Internal Control**

- Periodically review, evaluate and discuss with management the risk factors inherent to the Company (including reputational, financial, strategic, compliance and operational risks) and ensure that appropriate measures are in place to enable management to identify and manage them effectively.
- Periodically review and monitor the presence and the effectiveness of the Company's internal control over financial reporting through reports prepared by management and the external auditors (which reports would also identify weaknesses or would make recommendations in respect of controls that could have a material impact on the financial information of the Company), as well as the measures implemented to remedy the situation and ensure proper follow-up.
- Periodically evaluate and assess the adequacy of the disclosure controls and procedures of the Company, including the procedures set up by the Company to communicate publicly its financial information taken or derived from its financial statements.
- Review management's report on transactions with related parties.
- Review any legal matters (including litigation proceedings, claims and contingencies) that could have a material effect on the financial statements or on

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the affairs of the Company and ensure that they are appropriately disclosed in the financial statements.

- Ensure that the annual information form and the management information circular include the required and mandatory information concerning the Committee.
- Review communications with the *Autorité des marchés financiers* or any other regulatory authority regarding the financial statements and continuous disclosure documents.
- Establish and maintain procedures regarding:
  - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or other ethical matters;
  - the confidential and anonymous submission by employees of the Company and other stakeholders of concerns regarding questionable accounting, auditing or other ethical matters.

### **3.3. External Auditors**

- Oversee the work of the external auditors retained to prepare or issue the auditors' report or render other audit, review, examination or certification services to the Company and resolve disagreements, if any, between management and the external auditors regarding financial reporting.
- Obtain and review annually a report by the external auditors of the Company describing the external auditors' quality control procedures.
- Recommend to the Board the appointment of external auditors for the upcoming fiscal year and the fees for all audit, review or other attest services.
- Review, discuss with the external auditors and adopt annually the audit plan prepared by the external auditors, determine whether it meets the needs of the Company and, at least once per year, obtain an official written declaration from the external auditors attesting to their independence and delineating all relationships the external auditors have with the Company which may affect the independence and objectivity of the external auditors.
- Review and evaluate, at least once per year, the independence and performance of the external auditors, the qualifications and quality of their engagement team and the quality of communications and interactions between the Committee, the external auditors and management.
- Review the external auditors' letters of recommendations to management, management's reply thereto and the implementation of the recommendations.

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- Adopt and maintain a policy concerning the prior approval of all services not related to the audit which the external auditors of the Company may render to the Company and its subsidiaries in accordance with applicable laws and regulations, as well as the fees for such services, and ensure the enforcement of and compliance with such policy.
- Assess the independence and approve the hiring by the Company of former or current employees and partners of current and former external auditors of the Company.
- Meet periodically with the external auditors, with and without the presence of management, in regard to the interim financial reports and annual financial statements and discuss with them (i) the results of the audit or review, as applicable, (ii) the assessment of the control systems in place and their recommendations, (iii) any significant risks or exposures identified by the external auditors, and (iv) any other material matter relating to the audit or review of the financial statements, including the level of cooperation received from management and the internal auditor and any material differences of opinion between the external auditors and management that occurred during the course of the audit or review of the financial statements.
- Ensure that there is a rotation of the lead engagement partner, engagement quality review partner and other key audit partners, as per the CPA Code of Professional Conduct.
- Review any other issue which the Board, in the opinion of the external auditors, should be informed about and report thereon to the Board.

### **3.4. Evaluation of the Committee**

- Annually assess the accomplishments and performance of the Committee and submit the result of this assessment to the Board.
- Annually review the mandate of the Committee and recommend any changes to the Board.

### **3.5. Other Responsibilities**

- Carry out any other duty related to the performance of its mandate, including, in particular, any investigations about matters related to its mandate.
- Carry out any other mandate which the Board may entrust to it from time to time.
- Act as a channel of communication between management, the external auditors and the Board.