



AUDIT COMMITTEE OF JAZZ.FM91 INC.

TERMS OF REFERENCE

Purpose: The Audit Committee's role is to supervise the financial reporting and compliance requirements of JAZZ.FM91 Inc. (the "Corporation").

Key Accountabilities: The Audit Committee is accountable for the following:

1. **Oversight of Financial Reporting** and Internal Controls – oversees reliable, accurate and clear financial reporting to members of the Corporation, including overseeing the establishment and effectiveness of internal controls over the financial reporting of the Corporation;
2. **Oversight of Corporation's Auditor** – selects and retains, approves the compensation of, and oversees the work of the Corporation's independent auditor. The auditor reports directly to the Audit Committee;
3. **Oversight of Compliance Requirements** –oversees the fulfillment of the station's compliance requirements with regulators.

Composition:

Independence - The Committee meets without management present for a portion of each regularly-scheduled meeting, and meets with the auditor annually without management present.

Composition - The Committee shall be composed of no less than 3 members of the Board of Directors or such number as is determined by the Board from time to time.

Appointment and Term - The members of the Committee shall be appointed by the Board and each shall serve for a three year term from the date of such appointment or until the expiry of such directors' term in office, pursuant to the Corporation's By-laws, whichever comes first, unless the director resigns as a Committee member, is removed, or ceases to be a director.

Committee Chair - A Chair will be appointed by the Board upon recommendation of the Governance and Nominating Committee, failing which the members of the Committee may designate a Chair by majority vote.

Qualifications: All members of the Committee should be financially literate or be willing and able to acquire the necessary knowledge quickly. Financially literate means the ability to read and understand 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. At least

one member of the Committee shall have a background in accounting or related financial management experience.

Access to Information - In fulfilling its responsibilities, the Committee has the authority to conduct any investigation it deems appropriate to, and access any officer, employee or agent of the Corporation.

Meetings - The Committee shall meet at least [four] times annually, or more frequently as circumstances dictate. The Committee shall meet with management [quarterly] to review the financial statements and with the auditor at least annually. Any member of the Committee may make a request to the Chair for a Committee meeting or any part thereof to be held without management present.

In consultation with the Chair of the Board, the Committee may invite to its meetings any director, member of management or such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

Reporting – The Committee, through its Chair unless otherwise agreed by Committee members, will report to the Board quarterly.

Effective Date: July 9, 2020