

# URBANA CORPORATION

## AUDIT COMMITTEE CHARTER

**Approved and adopted by the board of directors  
on March 28, 2017**

### **1. Statement of Purpose**

The Audit Committee of URBANA CORPORATION (hereafter referred to as “Urbana”) has been established by the Board of Directors (the “Board”) for the purposes of overseeing the accounting and financial reporting processes of Urbana, including the audit of the financial statements of Urbana.

The Committee is responsible for assisting with the Board’s oversight of: (1) the quality and integrity of Urbana’s financial statements and related disclosure; (2) Urbana’s compliance with legal and regulatory requirements relating to financial and accounting matters; (3) the independent auditor’s (the “Auditor”) qualifications, performance and independence; (4) the integrity of the internal controls at Urbana; (5) the administration of Urbana’s conflicts of interest and related party transactions policies and procedures. The Committee is also responsible for providing an avenue for effective communication among the Audit Committee, Auditor, management and the Board.

### **2. Audit Committee Membership**

#### *Members*

The Committee will consist of as many members of the Board as the Board may determine, but in any event, not less than three members. Members of the Committee will be appointed by the Board, taking into account any recommendation that may be made by the Governance, Nominating and Compensation Committee. Any member of the Committee may be removed and replaced at any time by the Board, and will automatically cease to be a member if he or she ceases to meet the qualifications set out below. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board, taking into account any recommendation that may be made by the Governance, Nominating and Compensation Committee. If a vacancy exists, the remaining members of the Committee may exercise all of their powers so long as there is a quorum and subject to any legal requirements regarding the minimum number of members of the Committee.

#### *Chair*

The Board will designate one of the members of the Committee to be the Chair of the Committee, taking into account any recommendation that may be made by the Governance, Nominating and Compensation Committee.

### *Qualifications*

Every member of the Committee must be independent (as defined in NI 51-110) and financially literate.

### *Ex Officio Members and Management Attendance*

The Committee may invite, at its discretion, members of management and/or the Auditor to attend a meeting of the Committee. The Lead Director, if not already a member of the Committee, will be entitled to attend each meeting of the Committee as an observer. The Committee shall meet privately at least annually with management and the Auditor to discuss any matters that the Committee or each of these groups believes should be discussed. In addition, the Committee may consider in camera sessions at the beginning/conclusion of each meeting to discuss privately any matters of interest or concern to the members.

## **3. Committee Operations**

### *Frequency of Meetings*

The Chair, in consultation with the other members of the Committee, will determine the schedule and frequency of meetings of the Committee, provided that the Committee will meet at least twice a year.

### *Agenda and Reporting to the Board*

The Chair will establish the agenda for meetings in consultation with the other members of the Committee, the Chairman of the Board and the Lead Director. To the maximum extent possible, the agenda and meeting materials will be circulated to the members in advance to ensure sufficient time for study prior to the meeting. The Committee will report to the Board at the next meeting of the Board following each Committee meeting.

### *Secretary*

The Corporate Secretary of Urbana will, subject to any contrary direction of the Committee, act as secretary of the Committee.

### *Minutes*

The secretary of the Committee will keep regular minutes of Committee proceedings and will circulate them to all Committee members, the Chairman of the Board and the Lead Director (and to any other director that requests that they be sent to him or her) on a timely basis.

### *Quorum*

A quorum at any meeting will be a majority of the members of the Committee.

### *Procedure*

The procedure at meetings will be determined by the Committee.

### *Transaction of Business*

The powers of the Committee may be exercised at a meeting where a quorum is present or by resolution in writing signed by all members of the Committee.

### *Absence of Chair*

In the absence of the Chair, the Committee may appoint one of its other independent members to act as Chair of that meeting.

### *Exercise of Power between Meetings*

Between meetings, and subject to any applicable law, the Chair of the Committee, or any member of the Committee designated for this purpose, may, if required in the circumstance, exercise any power delegated by the Committee. The Chair or other designated member will promptly report to the other Committee members in any case in which this interim power is exercised.

## **4. Committee Duties and Responsibilities**

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board and performing any other functions that may be necessary or appropriate for the performance of its duties.

### **Auditor Selection, Qualifications and Independence**

- (1) The Committee shall recommend to the Board (i) the Auditor to be nominated for the purpose of preparing or issuing an auditor's report and performing other services for Urbana and (ii) the compensation to be paid to the Auditor.
- (2) The Committee is directly responsible for overseeing the work of the Auditor engaged for the purpose of preparing or issuing an auditor's report or performing other services for Urbana, including the resolution of disagreements between management and the Auditor regarding financial reporting.
- (3) The Committee must pre-approve any material non-audit services to be provided by the Auditor to Urbana. The Committee may delegate to one or more of its members the authority to pre-approve these non-audit services provided that any such pre-approval must be presented to the Committee at its next meeting. The Committee may also adopt specific policies and procedures relating to pre-approval of material non-audit services to satisfy the pre-approval requirement provided that the procedures are detailed as to the specific service, the Committee is informed of each non-audit service and the procedures do not include the delegation of the Committee's responsibilities to management.
- (4) Prior to the commencement of the annual audit, the Committee shall review with the Auditor the proposed audit plan and scope of work and shall review the audit representation letters with particular attention to non-standard representations. The Committee may delegate some or all of these responsibilities to the Chief Financial Officer of Urbana. The Committee shall also review and monitor the content of the Auditor's management letter

in order to assess whether it is based on a good understanding of the Company's business and establish whether recommendations have been acted upon and, if not, the reason they have not been acted upon.

- (5) The Committee must review Urbana's financial statements and management's discussion and analysis ("MD&A") before these materials are made available to the public.
- (6) The Committee must be satisfied that adequate procedures are in place for the review of Urbana's public disclosure of financial information extracted or derived from Urbana's financial statements, other than the public disclosure referred to in section (5) above, and must periodically assess the adequacy of these procedures.
- (7) After reviewing the report referred to above and the Auditor's performance throughout the year, the Committee will evaluate the Auditor's qualifications, performance and independence. The evaluation will include a review and evaluation of the lead partner of the Auditor. In making its evaluation, the Committee will take into account the opinions of management and Urbana's internal auditors (or other personnel responsible for the internal audit function). The Committee will also consider whether, in order to assure continuing auditor independence, there should be a rotation of the audit firm itself. The Committee will present its conclusions to the Board.
- (8) The Committee must establish procedures for (a) the receipt, retention and treatment of complaints received by Urbana regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by staff of Urbana of concerns regarding questionable accounting or auditing matters.
- (9) The Committee must review and approve Urbana's hiring policies regarding partners, employees and former partners and employees of present and former auditors of the Company.

#### **Financial Statements and Financial Review**

- (10) The Committee will review the annual audited financial statements and interim financial statements with management and the Auditor, including the MD&A, before their release and their filing with securities regulatory authorities. The Committee will also review all news releases relating to annual and interim financial results prior to their public release. The Committee will also consider, establish and periodically review policies with respect to the release or distribution of any other financial information, including earnings guidance and any financial information provided to ratings agencies and analysts, and review that information prior to its release.
- (11) The Committee will meet separately and periodically with management and the Auditor. The Committee shall receive and review reports from management and the Auditor with regard to the reliability and effectiveness of the Company's accounting system and internal controls.
- (12) The Committee will oversee management's design and implementation of an adequate and

effective system of internal controls at Urbana. The Committee will review the processes for complying with internal control reporting and certification requirements and for evaluating the adequacy and effectiveness of specified controls. The Committee will review the annual and interim conclusions of the effectiveness of Urbana's disclosure controls and procedures and internal controls and procedures, which support the certifications of annual and interim filings submitted by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

- (13) The Committee will review with management and the Auditor: (a) major issues regarding accounting principles and financial statement presentations, including critical accounting principles and practices used and any significant changes to Urbana's selection or application of accounting principles, and major issues as to the adequacy of Urbana's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative IFRS methods on the financial statements of Urbana and the treatment preferred by the Auditor; (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of Urbana; and (d) the type and presentation of information to be included in earnings press releases.
- (14) The Committee will regularly review with the Auditor any difficulties the auditor encountered in the course of its audit work, including any restrictions on the scope of the Auditor's activities or on access to requested information, and any significant disagreements with management. The Committee will also review with the Auditor any material communications with the Auditor, including any management letter or schedule of unadjusted differences.
- (15) The Committee will review with management, and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on Urbana's financial statements.
- (16) The Committee will review with management and the Auditor the scope, planning and staffing of the proposed audit for the current year.
- (17) The Committee will review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on Urbana, the Company's compliance with applicable laws and regulations, and any material reports or inquiries from regulatory or governmental agencies.
- (18) The Committee will review with the Board any issues that arise with respect to the quality or integrity of Urbana's financial statements, compliance with legal or regulatory requirements, or the performance of the internal financial control function.
- (19) The Committee will annually review the expenses of all officers and directors.
- (20) The Committee will review the financial and accounting personnel succession planning

and review related party transactions and potential conflicts of interest.

### **Conflicts of Interest and Related Party Transactions**

- (21) The Committee will administer the Company's Conflicts of Interest and Related Party Transactions Policies and Procedures (the "Conflicts Policy"), including by (a) reviewing answers provided by the Company's directors and officers to the annual conflicts of interest questionnaire (the "Questionnaire"), (b) determining based on a review of the Questionnaires whether a conflict of interest exists, (c) determining how a conflict of interest is to be addressed under the Conflicts Policy, (d) advising the Board on matters involving conflicts of interest and related party transactions, and (e) assessing on an annual basis the Conflicts Policy to ensure it continues to be appropriate for the Company.

### **5. Access to Advisors**

The Committee may, in its sole discretion, retain counsel, auditors or other advisors in connection with the execution of its duties and responsibilities and may determine the fees of any advisors so retained. Urbana will provide the Committee with appropriate funding for payment of compensation to such counsel, auditors or other advisors and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### **6. The Committee Chair**

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for monitoring developments with respect to financial reporting in general, and reporting to the Committee on any significant developments.

### **7. Committee Evaluation**

The performance of the Committee will be evaluated by the Governance, Nominating and Compensation Committee as part of its annual evaluation of the Board committees.

**AMENDMENT NO. 1**  
**To the Audit Committee of Urbana Corporation**  
**Change of Frequency of Meetings**

**Dated November 9, 2018**

The Board of Directors (the “Board”) of the Corporation approved a resolution on November 9, 2018 to change the frequency of the meetings prescribed in the Corporation’s Audit Committee Charter, as approved and adopted by the Board on March 27, 2018 (the “**AC Charter**”), from “at least twice a year” to “at least once every quarter”.

Accordingly, effective November 9, 2018, the following sentence under sub-heading “Frequency of Meetings” in section 3 of the AC Charter:

“The Chair, in consultation with the other members of the Committee, will determine the schedule and frequency of meetings of the Committee, provided that the Committee will meet at least twice a year.”

is deleted and replaced by the following:

“The Chair, in consultation with the other members of the Committee, will determine the schedule and frequency of meetings of the Committee, provided that the Committee will meet at least once every quarter.”