



DYNACOR GROUP INC.

CHARTER OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

(UPDATED AUGUST 2023)

The Board of Directors (the “**Board**”) of Dynacor Group Inc. (“**Dynacor**” or the “**Corporation**”) has established an Audit and Risk Management Committee (the “**Committee**”). The purpose, membership, operations, authority, responsibilities and specific duties of the Committee are described below.

1. PURPOSE

The purpose of the Committee is to assist the Board of Directors:

- (i) in its oversight of the Corporation’s accounting and financial reporting principles and policies and internal audit controls and procedures;
- (ii) in its oversight of the integrity, transparency and quality of the Corporation’s financial statements and the independent audit thereof;
- (iii) in selecting, evaluating and, where deemed appropriate, replacing the external auditor;
- (iv) in evaluating the qualification, independence and performance of the external auditor; and
- (v) in its oversight of the Corporation’s risk identification, assessment and management mechanism.

The Committee also assists the Board of Directors in fulfilling its continued examination of the Corporation’s systems of internal controls, to ensure compliance with laws, regulations and with the Corporation’s own code of conduct.

2. MEMBERSHIP AND OPERATIONS

Composition

The Committee shall be comprised of three or more independent directors, as defined under applicable legislation and stock exchange rules and guidelines, whom shall be appointed (and may be replaced) by the Board.

All members of the Committee shall be financially literate within the meaning of *Regulation 52-110 respecting Audit Committee* (“**Regulation 52-110**”) and any other securities legislation and stock exchange rules applicable to the Corporation. At least one member of the Committee shall have experience as a certified public accountant, chief executive officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as senior executive officers (financial expert).

Determination as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.

The Board shall designate a director as the chair of the Committee. The chair of the Committee shall evaluate the performance of each of the members of the Committee annually and report to the Board on the Committee's discussions and activities on a regular and punctual basis.

If the chair of the Committee cannot attend a meeting, a meeting president will be appointed by the attending members and be responsible for: (i) the preparation of the agenda for the meeting in collaboration with the VP Finance and Chief Financial Officer, (ii) ensuring the effective process of the meeting and (iii) ensuring that the minutes of the meeting are prepared and signed.

The mandate of the members of the Committee shall extend to the next annual meeting of shareholders of the Corporation or until a successor is duly appointed. Any vacancy shall be filled by the Board; though in the interim period when a vacancy exists, the Committee shall consist of the remaining members as long as there are at least two members.

The remuneration of the chair and of the members of the Committee is set by the Board.

Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director of the Corporation.

Meetings and Quorum

The location, date and agenda of the meetings are at the discretion of the Committee, but meetings must be held at least once per quarter.

Proceedings and meetings of the Committee are governed by the provisions of the By-Laws of the Corporation relating to the regulation of the meetings and proceedings of the Board as they are applicable and not inconsistent with this Charter and the other provisions adopted by the Board with respect to committee composition and organization.

The chair of the Committee, a member of the Committee, the external auditor or an officer of the Corporation can convene a meeting of the Committee.

The Committee shall name a secretary for its meetings, whom need not be a member of the Committee, to take the minutes of the meetings, then get them approved, prior to submitting them to the Board.

The quorum at any meeting of the Committee is a majority of members in office. All members of the Committee should strive to attend all meetings either in person or via tele-conference or videoconference.

The external auditor or the Chief Financial Officer can require to be heard by the Committee without the presence of any other officer of the Corporation.

Notwithstanding the foregoing, the Committee can require that all non-members be excluded from all or a specific portion of the Committee's discussions.

The Committee can convene a special meeting of the Board, as circumstances require.

3. AUTHORITY

To perform its role effectively, the Committee is authorized to obtain any information it requires from the officers of the Corporation, from its employees or from external parties; to retain, if needed and at the expense of the Corporation, outside legal or professional counsel and other experts and to ensure the attendance of Corporation's officers at meetings as appropriate.

4. SPECIFIC DUTIES AND RESPONSABILITIES

The specific duties and responsibilities of the Committee are as follows.

Audit

- Recommend the appointment and remuneration of the external auditor to the Board of the Corporation.
- Oversee the work and review the performance of the external auditor and resolve any disagreement between management of the Corporation and the external auditor.
- Review the external auditors' report and recommendations on the internal controls together with management's responses and action plans to be deployed in order to encourage management to implement and to monitor adequate internal control mechanisms.
- Review and approve the proposed annual audit plan of the external auditor, including the proposed budget.
- Pre-approve all permitted non-audit related services to be performed by the external auditor.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
- Review the financial statements, the management's discussions and analysis (MD&A), and the annual and quarterly earnings press releases prior to the Corporation publicly releasing this information.
- Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and, from time to time, review the adequacy of these procedures.
- Establish procedures for:
 - (i) the receipt, the retention and the treatment of complaints received by the Corporation regarding financial statement disclosure, accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential or anonymous submission, by the employees of the Corporation, of concerns regarding questionable or auditing matters.
- Monitor any such complaints and submissions regarding financial statement disclosure, accounting, internal accounting controls or auditing matters, and discuss any issues with management.

- Review the financial statements and the accompanying notes to the financial statements and obtain explanations from the officers regarding:
 - (i) any significant variances in the current reporting period;
 - (ii) any complex or unusual transactions; and
 - (iii) any related party transactions.
- Review the accounting principles used by the Corporation to ensure that they are in accordance with IFRS regarding the presentation of financial information, and resolve any potential disagreement between management and the external auditor regarding the presentation of financial information.
- Review and make recommendations to the Board with respect to the approval of financial statements, annual information forms, prospectuses, MD&A, annual and quarterly earnings press releases and all other related documents.

Risk Management

- Assist the Board in setting the risk tolerance for the business and satisfy itself that the Corporation operates with due regard to that risk tolerance.
- Form an opinion on the adequacy and effectiveness of the Corporation's process of identifying and assessing areas of potential material risk, as well as the monitoring and controlling of identified material risks.
- Review reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to manage those risks.
- Compare the Corporation's material risk assessment and risk profile with its policies and risk tolerance and ensure that identified material risks are reduced to or managed at levels determined to be acceptable by the Board.
- Review and assess any breaches of risk controls or risk policies and ensure these breaches are appropriately mitigated or remedied by management.
- Make recommendations arising from the above reviews, for consideration by the Board, in relation to changes to the risk management framework or risk tolerance.
- Review, at least annually, and oversee management's performance against the Corporation's risk management framework, to satisfy itself that it continues to be sound and that the Corporation is operating with due regard to the risk tolerance set by the Board.
- Review the disclosure, in relation to each reporting period, of whether this review has taken place.
- Review and monitor compliance with the Corporation's policies and review any material incidents or breaches reported to the Committee under those policies.
- Request and monitor investigations into areas of risk, breaches of risk management policies and procedures and failures in internal control.

- Review and oversee the Corporation's tax control framework.
- Review and evaluate the structure and adequacy of the Corporation insurance program.
- Review the Corporation's corporate report disclosures, including statutory financial reporting, performance against the risk management framework and reporting on material environmental, social and governance matters, for recommendation to the Board.
- Consider and review the preparation of any report or other disclosures to be included in the corporate report or other communications to security holders relating to the external auditor and to risk and risk management.

The Committee will address any other subject within the broad responsibility of the Committee as determined by the Chair of the Committee, and exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

5. REPORTING

The Committee periodically reports to the Board on its activities and presents the minutes of all its meetings.

The Committee presents to the Board a summary of the main risks to which the Corporation is exposed, at least annually.

6. CHARTER

The Committee shall undertake an evaluation of its performance and effectiveness annually, or as otherwise determined by the Committee, and when considered appropriate the Committee will review its membership and make recommendations to the Board.

The Committee shall also review and assess annually, or as otherwise determined by the Committee, the adequacy of this Charter and recommend any changes to the Board for approval.