

## EverGen Infrastructure Corp.

### AUDIT COMMITTEE CHARTER

#### 1. Mandate

The primary function of the audit committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) in fulfilling its financial oversight responsibilities and in ensuring the integrity of financial reporting and accounting control policies and practices. The Committee approves, monitors, evaluates, advises and makes recommendation in accordance with these terms of reference by reviewing the financial reports and other financial information provided by the Senior Management of EverGen Infrastructure Corp. (the “**Company**”) to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing (including both internal, if any and external audits), accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to oversee the Company’s accounting and financial reporting processes and internal control system including assessing the reasonableness of management accounting judgements and estimates;
- (b) review the Company’s financial statements;
- (c) request such information and explanations in regard to the accounts of the Company as the Committee may consider necessary and appropriate to carry out its duties and responsibilities;
- (d) oversee the audit of the Company’s financial statements;
- (e) oversee, review and appraise the qualifications, independence and the performance of the Company’s external auditors;
- (f) oversee the Company’s compliance with legal and regulatory requirements as they relate to accounting and financial controls and anti-corruption and bribery issues;
- (g) provide an open avenue of communication among the Company’s auditors, senior management and the Board;
- (h) Consider any other matters which, in the opinion of the Committee or at the request of the Board would assist the Company in risk management; and
- (i) Maintain the Whistler Blower Policy communication channel to the Chair of the Audit Committee and whistleblower procedures for the receipt, retention, and treatment of complaints.

For greater clarity, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete, accurate and in accordance with Generally Accepted Accounting Principles,

## **2. Composition and Operation**

The Committee is appointed by and shall be comprised of three or more directors as determined by the Board. Each member of the Committee shall be independent within the meaning of the provisions of National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time (“**NI 52-110**”). No member of the Committee is permitted to have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years.

All members of the Committee shall be, in the determination of the Board, “financially literate”, as that term is defined by NI 52-110. Each member of the Committee shall be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

The Committee members shall be appointed by the Board annually and the Board may at any time remove or replace any member of the Committee and may fill any vacancy with another Board member, as required.

The Board shall appoint a chair (the “**Chair**”) from among the Committee members, preferably possessing a recognized professional accounting designation. If the Chair is not present at any meeting of the Committee, one of the other Committee members present at the meeting shall be chosen by the Committee to preside as the chairperson at the meeting.

Attendance by invitation at all of or a portion of Committee meetings is determined by the CEO or Committee Chair and would normally include the CEO and CFO of Company, representatives of the external auditors and such other officers or support staff as may be deemed appropriate.

The Committee shall meet a least quarterly.

A majority of members shall constitute a quorum for meetings of the Committee, present in person or via telephone or via other telecommunication device that permits all persons participating in the meeting to speak and hear one another.

The Committee shall fix its own procedures for meetings, keep records of its proceedings, and report to the Board routinely. These procedures will include delivery of notices, agendas, minutes and supporting materials to the Committee members at least (5) days prior to the meeting except in unusual circumstances.

The Committee may engage independent counsel and other advisors as may be deemed or considered necessary and determine the fees of such counsel and advisors.

The Committee shall hold regular in-camera sessions at each meeting, during which the members of the Committee shall meet in the absence of management.

The Committee may act by unanimous written consent of its members. A resolution approved in writing by the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting.

No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present, or by a unanimous written consent.

Members shall be provided with a minimum of 48 hours' notice of meetings. The notice period may be waived by all members of the Committee.

### **3. Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

- (a) *Documents/Reports Review*
  - (i) Review this Charter annually, and recommend to the Board any necessary amendments;
  - (ii) Review and recommend to the Board for approval the audited annual financial statements, with the report of the external auditor, and corresponding management's discussion and analysis prior to public dissemination and filing with securities regulatory authorities;
  - (iii) Review and approve, or recommend to the Board for approval, the quarterly financial statements of the Company and corresponding management's discussion and analysis prior to public dissemination and filing with securities regulatory authorities;
  - (iv) Review any other financial disclosure documents that contain material financial information about the Company requiring approval by the Board prior to public dissemination and/or filing with any governmental and/or regulatory authority, including, but not limited to press releases, annual reports, annual information forms, and prospectuses, offering memorandum, or registration statements;
  - (v) Review the Company's disclosure in the Management Information Circular and proxy materials including Committee's composition and responsibilities and how they are discharged; and
  - (vi) Review and recommend any changes to the Company's Disclosure Policy.

(b) *External Auditors*

“External auditor” as used here shall mean any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such external auditor shall report directly to the Committee. With respect to the external auditor, the Committee shall:

- (i) Review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (ii) Review annually, management’s recommendations for the appointment or reappointment of the external auditor, the terms of the external auditors engagement, the appropriateness and reasonableness of the proposed audit fees and any unpaid fees;
- (iii) Recommend to the Board the appointment, retention and replacement of the external auditors nominated annually for shareholder approval;
- (iv) Where there is to be a change in the external auditor, review all issues related to the change, the planned steps for an orderly transition and present the Audit Committee’s recommendation to the Board for approval;
- (v) Review with management and the external auditors the audit plan for the year-end financial statements and execute the annual engagement letter with the external auditor and ensure there is a clear understanding between the Board, the Committee, the external auditor and management that the external auditor reported to shareholders and Board through the Committee. The terms of the annual audit plan should include, but not be limited to, the following:
  - staffing
  - objective and scope of the external audit work
  - materiality limits
  - audit and review reports required,
  - areas of audit risk
  - timetable and proposed fees;
- (vi) Make recommendations to the Board with respect to the compensation of the external auditor, assess whether fees and any other compensation to

be paid to the external auditor for audit or non-audit services are appropriate to enable an audit to be conducted and to maintain the independence of the external auditor;

- (vii) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto and any non-audit services provided by the Company's external auditors. The pre-approval of non-audit services may be delegated to one or more Committee members so long as any such pre-approval decisions are presented to the full Committee at the next scheduled meeting;
- (viii) At least annually, and before the auditors issue their report on the annual financial statements, the Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other applicable requirements including being in good standing.. The Committee shall take appropriate action to oversee the independence of the auditors and regarding audit partner rotation;
- (ix) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (x) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors;
- (xi) Oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (xii) Review with the external auditor the results of the annual audit and if applicable interim audits, including but not limited to the following:
  - any difficulties encountered, or restriction imposed by management, during the annual audit;
  - any significant accounting or financial reporting issue;
  - auditor's evaluation of Company's internal controls over financial reporting and management evaluation thereon, including internal

control deficiencies identified by the auditor contained in the management letter that have not been previously reported to the Audit Committee;

- the auditor's evaluation of the selection and application of accounting principles and estimates and the presentation of disclosures;
- the post audit or management letter or other material written communication contain any finding or recommendation of the external auditor including management response thereto and the subsequent follow up to any identified internal accounting control weaknesses; and
- any other matters which the external auditor should bring to the attention of the Committee;

(xiii) At each year-end audit meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

(xiv) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and

(xv) Review with management and the external auditor any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

(c) *Financial Reporting Processes*

(i) In consultation with the external auditors, review with management the integrity (quality and acceptability) of the Company's financial reporting process, both internal and external; Such integrity assessment should encompass judgements about the appropriateness, aggressiveness or conservatism of estimates and elective accounting principles or methods and judgements about the clarity of disclosures;

(ii) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(iii) Review any new or pending developments in accounting and reporting standards that may affect the Company, consider the appropriateness of accounting policies and financial reporting practices including alternative

treatments that are available for consideration and proposed changes and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

- (iv) Review key estimates and significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (v) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (vi) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements. Where there are significant unsettled issues, the Committee shall ensure that there is an agreed course of action for the resolution of such matters;
- (vii) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (viii) Review certification process;
- (ix) Establish "whistleblower" procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair of the Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion. Such procedures shall be reviewed annually by the Committee and any suggested changes shall be submitted to the Board for its approval;
- (x) Review any related-party transactions;
- (xi) Review with management on at least an annual basis, any material obligations that have been entered into including any off balance sheet transactions, any litigation, claim or other contingency including tax assessments that could have a material effect upon the financial position or

operating results or any compliance requirements and the manner in which they should be disclosed; and

- (xii) Review appointment of the Chief financial Officer and any key financial officers involved in the financial reporting process.

(d) *Internal Controls and Internal Audit*

- (i) Review on a periodic basis the need for an internal audit function and assess the control systems in place that mitigate the need for an internal audit function;
- (ii) Obtain reasonable assurance, by discussions with and reports from management and the external auditor that the accounting systems are reliable, the system and security for preparation of financial data reported is adequate and effective and that the system of internal controls over financial reporting is effectively designed and implemented;
- (iii) Discuss and review with management, the policies and procedures designed to prevent, identify and detect fraud;
- (iv) Receive reports from management on all significant internal control deficiencies and material weaknesses related to financial reporting as identified by management;
- (v) Assess cybersecurity and address weaknesses and exposures; and
- (vi) Review annual the approval policies and practices concerning the expenses of the Board.

(e) *Ethical, and Legal Compliance and Risk Management*

- (i) Review the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
- (ii) Review the adequacy, appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, information services and systems, financial controls and management reporting;
- (iii) In conjunction with any other committee designated by the Board from time to time, review major financial, audit and accounting related risks and the

policies, guidelines and mechanisms that management has put in place to govern the process of monitoring, controlling and reporting such risks;

- (iv) Review and determine the disposition of any complaints received from any regulatory body; and
- (v) Annually review with management, adequacy of insurance coverage including renewal, reasons for change or proposed change in insurance brokers, a list of significant business risks to the company that are not or cannot be insured, such list will include a description of the risk, together with procedures or policies in place to manage the risk.

(f) *Anti-Bribery and Anti-Corruption*

- (i) Review the principal anti-bribery and anti-corruption risks in the Company's business activities and provide oversight of appropriate systems to manage such risk as applicable to the Company;
- (ii) Review and monitor the anti- bribery and anti-corruption policies and activities of the Company on behalf of the Board to ensure compliance with applicable laws, legislation and policies as they relate to anti- corruption and anti-bribery issues; and
- (iii) In the event of the occurrence of a corruption or bribery incident, receive and review, without delay, a report from management detailing the nature of the incident. Such report is to be made to the Committee in its entirety, and the Committee will immediately inform the Board at large, which will review the incident and to determine the Company's disclosure obligations if any.

#### **4. Authority**

The Committee:

- (a) Has the authority to communicate directly with officers and employees of the Company, its auditors, legal counsel and to such information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities. This extends to the requiring the external auditor to report directly to the Committee;
- (b) Has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors; and
- (c) Shall be provided appropriate funding from the Company, as determined by the Committee, for payment of compensation to any registered public accounting firm

engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Company, to any advisors employed by the Committee, and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall also have such other powers and duties as delegated to it by the Board.

## **5. Accountability**

The Committee Chair has the responsibility to report to the Board, as requested, on accounting and financial matters relative to the Company.

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.