

Crosswinds Holdings Inc. (the “Corporation”)

Audit Committee Charter (the “Charter”)

Statement of Purpose

The Audit Committee (the “**Committee**”) will assist the Board of Directors (the “**Board**”) of the Corporation in fulfilling its stewardship responsibilities through the oversight of:

- (a) the accounting and financial reporting processes of the Corporation and their appropriateness in view of the Corporation’s operations and applicable accounting standards and principles;
- (b) the adequacy and effectiveness of the system of internal controls and procedures established by management of the Corporation (“**Management**”);
- (c) the quality and integrity of the Corporation’s financial reporting and disclosure;
- (d) the relationship with the external auditors (the “**Auditors**”), including the qualifications and independence of the Auditors, the audit of the financial statements, and any other audit and permitted non-audit services provided by the Auditors; and
- (e) the compliance with laws, regulations and guidelines affecting the Corporation that relate to the duties and functions of the Committee.

Membership

1. Number

The Board will appoint not fewer than three members to the Committee.

2. Composition

All members of the Committee must be members of the Board and “independent” of Management as that term is defined from time to time in applicable securities laws governing the Corporation. The independence requirements for the Issuer are presently expressed in National Instrument 52-110 – Audit Committees (“**NI 52-110**”). No members of the Committee will receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory or other compensatory fee from the Corporation or any of its related parties or subsidiaries.

3. Qualifications

All Committee members must be “financially literate” as that term is defined in NI 52-110 (or any replacement thereto).

In addition, the composition of the Committee, and qualifications of its members, will comply with such additional requirements as may be imposed by those regulating bodies having jurisdiction over the Corporation.

4. Chair

The Board will appoint the Chair of the Committee (the “**Chair**”) annually, to be selected from members of the Committee. The Chair will be the Committee member designated for such position from time to time by the Board. If, in any year, the Board does not make an appointment of the Chair, the incumbent Chair will continue in office until that Chair’s successor is appointed. In the Chair’s absence, or if the position is vacant, the Committee may select another member as Chair.

5. Ex Officio Members and Management Attendance

The Committee may invite, at its discretion, non-Committee members to attend a meeting. Any member of Management shall attend a Committee meeting if invited by the Chair.

6. Removal and Vacancies

Any member of the Committee may be removed and replaced at any time by the Board and will automatically cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies in the Committee by election from among the members of the Board. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office.

7. Tenure

The Board will appoint members of the Committee annually following the Corporation’s annual general meeting. Each member of the Committee will hold office until the following annual general meeting or until his or her term as a member of the Board is terminated or until his or her successor is appointed.

Limitations on Committee’s Duties

In contributing to the Committee’s discharge of its duties under this Charter, each member of the Committee will be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by Management as to the non-audit services provided to the Corporation by the external auditor, (iv) financial statements of the Corporation represented to them by a member of Management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

Meetings

1. Notice of Meetings

- (a) The Chair of the Committee may call meetings of the Committee periodically and will do so at the request of any member of the Committee, the Auditors, or at the request of any of the Chair of the Board, the President/Chief Executive Officer or the Chief Financial Officer.
- (b) The Auditors will be given notice of every meeting of the Committee and will be permitted to attend and be heard at such meeting on such matters relating to the Auditors' duties.
- (c) Meetings of the Committee will be held from time to time and at such place as the Chair of the Committee will determine. Notice of the time and place of each meeting of the Committee will be given to each member by telephone not less than 48 hours before the time of the meeting or by written notice not less than four days before the day of the meeting, and, subject to the requirements of any applicable law, need not specify the purpose of or the business to be transacted at the meeting. Meetings of the Committee may be held at any time without notice if all the members have waived or are deemed to have waived notice of the meeting.

2. Time of Meetings

The Committee will ordinarily meet at least quarterly each fiscal year, and at other times as necessary, at times and places to be determined by the Committee.

The Committee or its Chair should meet at least once per year with Management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with Management quarterly in connection with the Corporation's interim financial statements.

3. Agenda

The Chair of the Committee will, in consultation with Management and the Auditors, establish the agenda of the meetings and, where possible, circulate materials in advance to provide sufficient time for study prior to the meeting.

4. Quorum

A quorum of any meeting will be a simple majority.

5. Procedure

The procedure at meetings will be determined by the Committee unless otherwise determined by the by-laws of the Corporation or by a resolution of the Board.

6. Secretary

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

7. Minutes of Meetings

The Committee will keep regular minutes of its proceedings and will report to the Board at each meeting of the Board. Minutes will be circulated to all directors on a timely basis.

8. 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 entitled to vote on that resolution at a meeting of the Committee.

9. Exercise of Power Between Meetings

Between meetings, the Chair of the Committee, or any member of the Committee designated for the purpose by the Chair, may exercise any power designated by the Committee.

Duties and Responsibilities

There is hereby delegated to the Committee the duties and powers specified in section 171 of the *Canada Business Corporations Act* and, without limiting these duties and powers, the Committee will carry out the following responsibilities.

1. Relations with the Auditors

The Auditors will report directly to the Committee and the Committee will:

- (a) recommend to the Board the appointment, compensation, and retention of the Auditors;
- (b) recommend to shareholders the appointment of the Auditors;
- (c) review the Auditors' engagement letter;
- (d) review and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the Auditor;

- (e) review the audit plan of the Auditors to satisfy itself regarding appropriate coverage of risks, to understand the audit approach, including areas of reliance on internal controls, and to understand how changes in the accounting policies of the Corporation might impact the audit approach;
- (f) oversee the work the Auditors perform quarterly (whether review or specified procedures, as determined by the Committee), including resolution of disagreements with Management;
- (g) pre-approve all audit review and attest services;
- (h) approve on an annual basis the pre-approval policy for audit, audit-related, and non-audit services that are permitted to be provided by the Auditors and satisfy itself that the Committee receives regular updates of the services and fees being provided by the Auditors under this framework;
- (i) pre-approve any non-audit services to be provided by the Auditors (including tax services, which are not in effect prohibited legal or expert services) that are not expressly forbidden by legislation, in accordance with applicable securities laws. Such pre-approval may be delegated to one or more members of the Committee;
- (j) review the basis and amount of the Auditor's fees in light of the number and nature of reports issued by the Auditors, the quality of the internal controls, the size, complexity, and financial condition of the Corporation, and the extent of internal audit and other non-prohibited support provided to the Corporation by the Auditors;
- (k) review all other non-audit fees and services of the Auditors or other accounting firms;
- (l) review post-audit or Management letters containing recommendations of the Auditors and Management's response and oversee their implementation and resolution;
- (m) provide the Auditors with the opportunity to meet with the Committee or the Board without Management present, at each quarterly meeting of the Committee, for the purpose of discussing any issues that have arisen during that fiscal quarter or any previous fiscal quarter;
- (n) meet regularly with the Auditors without Management present to receive reports of any significant disagreements between Management and the Auditors regarding financial reporting, the resolution of any such disagreements, and any restrictions imposed by management on the scope and extent of the audit examinations conducted by the Auditors;

- (o) review and approve the Corporation's hiring policies regarding current and former partners and employees of the present and former Auditors;
- (p) annually review the expertise, resources and overall performance of the Auditors and, if necessary, recommend to the Board the termination of the Auditors or the rotation of the audit partner in charge. In the case of a recommendation to terminate the Auditors, the Committee will enquire as to the qualifications and independence of the newly proposed auditors before making its recommendations to the Board;
- (q) have authority to satisfy itself that adequate provisions are made to fund the compensation to be paid to the Auditors; and
- (r) if considered appropriate, establish separate systems of reporting to the Committee by each of Management and the external auditor.

2. Financial Disclosure

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

- (a) review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee; and
- (b) receive periodically Management reports assessing the adequacy and effectiveness of the Corporation's disclosure controls and procedures.

Audit and Financial Reporting

The Committee will be primarily responsible for satisfying itself and on behalf of the Board that the Corporation (including its subsidiaries) fulfills all of its audit and financial reporting obligations, and will:

- (a) review all financial statements, including the related "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") that require approval by the Board, including, without limitation, interim statements, year-end audited statements, statements for use in prospectuses, or other offering documents and statements required by regulatory authorities; determine whether the financial statements are complete, accurate, and are in accordance with IFRS (as defined below) in all material respects; review all variances between comparative reporting periods; and recommend such financial statements and MD&A for Board approval;
- (b) review all annual and interim press releases relating to the Corporation's financial statements prior to their dissemination to the public;
- (c) review all public disclosure documents containing audited or unaudited financial information before release including (without limitation) any: prospectus, annual report, and/or any of the documents

extracted or derived from the Corporation's financial statements filed with regulatory agencies and satisfy itself that all information is consistent with the financial statements and that such document or statement does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make the document or statement not misleading, in the light of the circumstances under which it was made;

- (d) review the disclosure in the annual information form regarding details of the Committee's membership, exemptions relied on, if any; instances of the Board not accepting the Committee's recommendations, if any summary of the Auditor's fees and services provided; and inclusion of the Audit Committee Terms of Reference;
- (e) review the form of the audit report;
- (f) review the audit results with the Auditors and Management's proposed handling of audit adjustments;
- (g) review and discuss the Auditor's report and the related MD&A for the audited annual financial statements with Management and the Auditor;
- (h) oversee the Corporation's transition to and implementation of International Financial Reporting Standards ("IFRS");
- (i) review any material changes in accounting practices or policies and the financial statement impact thereof;
- (j) review any major areas of management judgment estimates that have a significant effect upon the financial statements;
- (k) review with the Auditors any disagreements with management over the application of accounting principles, the basis for management's accounting estimates, and the disclosures in the financial statements;
- (l) review with the Auditors and Management critical accounting policies and practices used by the Corporation, including critical accounting estimates, the selection of major accounting policies, reasons why certain policies are not considered critical, and how current and future events affect that determination;
- (m) review with the Auditors and Management all alternative material accounting treatments that have been discussed with Management, the ramification of these alternative treatments, and the Auditor's preferred method;

- (n) review with the Auditors and Management all material written communications between the Auditors and Management that would facilitate Auditor and Management oversight by the Audit Committee such as Management representation letters, reports on observations and internal control reports, schedules of material adjustments and proposed reclassifications; schedule of unadjusted audit differences and listings of adjustments and reclassifications not recorded, engagement letters, and independence letters;
- (o) discuss the effect of off-balance-sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;
- (p) review with the Auditors and Management all material related party transactions and the development of policies and procedures related to those transactions;
- (q) review with the Auditors and Management the methods used to account for significant unusual transactions;
- (r) consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements; and
- (s) where there are significant unsettled issues between Management and the external auditor that do not affect the audited financial statements, the Committee will seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Internal Controls

The Committee will oversee Management's design and implementation of an adequate and effective system of internal controls, and will:

- (a) review the audit plan of the Auditors and consider the extent to which the planned audit scope can be relied upon to detect weakness in internal control or fraud or other illegal acts;
- (b) review with Management the Corporation's financial policies and compliance with such policies;
- (c) satisfy itself that the Corporation maintains an appropriate internal audit function (if appropriate), and approve the responsibilities, budget and staffing of the internal audit function, oversee the recruitment, operational independence, evaluation and termination of the head of Internal Audit, and approve the objectives, plans and recommended changes made by internal audit;
- (d) satisfy itself that adequate and effective internal controls are in place including those covering accounting, financial reporting and disclosure, compliance, and Management information systems through oversight of Management's design and implementation and through a review of significant

recommendations made by the internal auditors, the Auditors, or other independent parties, for the strengthening of internal controls and/or the deficiencies identified by Management and any follow-up corrective action;

- (e) review the processes for complying with internal control reporting and certification requirements and for evaluating the adequacy and effectiveness of specified controls;
- (f) approve or pre-approve the scope, mandate and compensation paid to third-party internal control consultants, if any;
- (g) review any major issues regarding the adequacy of the Corporation's internal controls and the actions being taken in light of any material control deficiencies identified by the Auditors, the internal auditors, third party consultants, or Management and Management's response thereto;
- (h) review any major issues regarding the adequacy of the Corporation's internal controls and the actions being taken in light of any material control deficiencies identified by the Auditors, the internal auditors, third party consultants or Management and Management's response thereto;
- (i) review internal certifications provided by the CEO and CFO to the Committee from time to time (as required under the Corporation's Disclosure Policy), regarding the adequacy of disclosure controls and the accuracy of publicly filed documents;
- (j) review the disclosure regarding the disclosure controls and procedures and internal controls for financial reporting and understand the impact of any unremediated deficiencies on any periodic certifications or reports filed with regulators;
- (k) satisfy itself that all of the Corporation's material subsidiaries have adequate financial reporting controls, disclosure controls and internal control processes in place;
- (l) review and assess the adequacy of the Audit Committee Charter on an annual basis and the Committee's performance vis-à-vis its Charter;
- (m) have the authority to communicate directly with the internal auditor (if appropriate);
- (n) receive periodical Management reports assessing the adequacy and effectiveness of the Corporation's internal control systems.

Risk Management

The Committee will discuss the guidelines and policies to govern the process by which the Corporation undertakes risk assessment and Management, and will:

- (a) establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, including the confidential and anonymous submission of complaints by employees, including reviewing on an annual basis the Corporation's Whistleblower Policy;
- (b) review with Management and bring to the attention of the Auditors any correspondence with regulators or government agencies, employee complaints, or published reports that raise material issues regarding the Corporation's financial statements or accounting policies;
- (c) review with Management any litigation, claim, or other contingency, including tax assessments, which could have a material effect upon the financial position of operating results, and the manner in which these matters have been disclosed in the financial statements;
- (d) Ensure the Corporation has an effective system of internal controls to address key risks identified, including and with particular reference to those key risks identified by the Corporation's Risk Policy Committee;
- (e) review with Management the presentation and impact of significant risks and uncertainties associated with the business of the Corporation;
- (f) oversee the investigation of alleged fraud, illegal acts and conflicts of interest; and
- (g) have the authority to engage and determine the funding for independent counsel, accountants and other professionals or advisors to carry out its duties.

Relations with Management

The Committee will coordinate with Management on audit and financial matters, and will:

- (a) meet privately with senior management at least quarterly to discuss any areas of concerns to the Committee or Management;
- (b) review with Management and assess the results of instances, if any, where Management seeks a second opinion on significant accounting or auditing matters;
- (c) review the performances of the Chief Financial Officer and other senior executives involved in the financial reporting process, obtaining feedback from internal audit (if any) and the Auditors; provide results to the Compensation Committee; and, where possible, consult on the appointment or and departure of individuals occupying these positions; and

- (d) have the Chair of the Committee review the expenses incurred by the Chair of the Board.

General

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

- (a) inform the Board of matters that may significantly impact on the financial condition or affairs of the business;
- (b) respond to requests by the Board with respect to the functions and activities that the Board requests the Committee to perform;
- (c) review the public disclosure regarding the Committee required from time to time by NI 52-110;
- (d) review in advance, and approve, the hiring and appointment of the Corporation's senior financial executives; and
- (e) perform any other activities as the Committee or the Board deems necessary or appropriate.

Access to Records

The Committee will be permitted access to all records and corporate information that it determines will be required in order to perform its duties.

Complaints Procedure

Anyone, including employees of the Company, may submit a complaint or concern regarding conduct by the Company or its employees or agents (including its external Auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing, ethics or other material matters.

The Chair of the Committee will oversee treatment of such complaints. Complaints are to be directed to the attention of the Chair of the Committee. Complaints may be submitted to the Chair on a confidential basis to the following confidential e-mail address: auditchair@crosswindsinc.com. The Committee will endeavour to keep the identity of the complainant confidential. The Chair of the Committee shall lead the review and investigation of a complaint. The Committee shall retain a record of all complaints received. Corrective action will be taken when and as warranted.