

# ELDORADO GOLD CORPORATION

## AUDIT COMMITTEE

### TERMS OF REFERENCE

The Board of Directors (the “**Board**”) of Eldorado Gold Corporation (“**Eldorado**” or the “**Company**”) has established the Audit Committee of the Board and approved these Terms of Reference which set out the roles, responsibilities, composition, functions and other matters concerning the Committee.

#### I. ROLE

The role of the Audit Committee (the “**Committee**”) is to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Company by:

- (i) Reviewing the integrity and effectiveness of the Company’s systems of internal financial controls for reporting on the Company’s financial condition;
- (ii) Monitoring the independence and performance of the Company’s external auditor (the “**Auditor**”);
- (iii) Overseeing the integrity of the Company’s internal audit processes and reviewing the Company’s financial disclosure and reporting;
- (iv) Monitoring management of the Company’s (“**Management**”) compliance with legal and regulatory requirements; and
- (v) Overseeing certain risk management systems and practices adopted by the Company.

#### II. RESPONSIBILITIES

The Committee will have the following duties and responsibilities:

##### **Financial Statements and Financial Disclosures**

- (i) Review with the Auditor and with Management, prior to recommending to the Board for its approval the following:
  - a) The audited annual and unaudited quarterly financial statements, including the notes thereto;
  - b) Management’s Discussion and Analysis (“**MD&A**”) of operations accompanying or contained in the annual or quarterly reports and the consistency of the MD&A with the financial statements;

- c) Any expert report or opinion obtained by the Company in connection with the financial statements;
- d) The accounting treatment with respect to any transactions which are material or not in the normal course of the Company's business or with or involving an unconsolidated entity;
- e) The nature and substance of significant accruals, accounting reserves and other estimates having a material effect on the financial statements;
- f) Carrying values of financial assets and liabilities, including key assumptions and practices used to determine fair value accounting and related mark-to-market adjustments;
- g) Any off balance sheet financing arrangement;
- h) Use of derivatives and hedging transactions;
- i) Asset retirement and reclamation obligations;
- j) Pension obligations;
- k) Tax matters (including material tax planning initiatives) that could have a material effect upon the financial statements;
- l) The Company's accounting and auditing principles, policies and practices including any changes thereto;
- m) The adequacy of the Company's internal controls (including any significant deficiencies or material weaknesses in internal control over financial reporting) and the responsibilities of the Company's internal audit function with respect to internal controls;
- n) All significant adjustments made or proposed to be made in the Company's financial statements by Management or by the Auditor;
- o) Details regarding any unrecorded audit adjustments;
- p) Any impairment provisions based on ceiling tests or other calculation including the carrying value of goodwill;
- q) Use by the Company of any Non-GAAP financial measures or forward looking financial information contained in any disclosure document;
- r) The compliance by the Company's Chief Executive Officer and Chief Financial Officer with the applicable certification requirements under applicable security legislation; and
- s) Such other matters as the Committee considers necessary in connection with the preparation of the Company's financial reports.

- (ii) Review the adequacy of procedures put in place by the Board or Management for the review of public disclosure of financial information prior to the disclosure to the public thereof.
- (iii) Review and discuss with the Auditor any audit related problems or difficulties and Management's response thereto, including any restrictions imposed on the scope of the Auditor's activities, access to required information, disagreement with Management or the adequacy of internal controls.
- (iv) Review the Auditor's Management Letter and the Auditor's Report.
- (v) Review, discuss with Management (and with the Auditor, where required or appropriate) and approve or recommend that the Board approve the following, prior to disclosure to the public:
  - a) Consolidated annual audited financial statements and related MD&A;
  - b) Consolidated unaudited quarterly financial statements and related MD&A;
  - c) Press releases announcing or containing financial information including those based on the annual or quarterly financial statements, and non-GAAP financial measures, revenue or earnings guidance or other forward-looking information; and
  - d) Financial information contained within any prospectus, annual information form, information circular, take-over bid circular, issuer bid circular, rights offering circular or other form of prescribed disclosure document.

### **External Auditor**

- (i) Recommend to the Board the appointment of the Auditor to be nominated at the annual shareholders' meeting and who is ultimately accountable to the Board and the Committee as representatives of the shareholders.
- (ii) Recommend to the Board the remuneration to be paid to the Auditor.
- (iii) Require the Auditor to report to the Committee.
- (iv) Oversee the work of the Auditor including the mandate of the Auditor, the annual engagement letter, audit plan and audit scope.
- (v) Review and discuss the reports required to be made by the Auditor regarding: critical accounting policies and practices; material selections of accounting policies when there is a choice of policies available under

IFRS that have been discussed with Management, including the ramifications of the use of such alternative treatment, and the treatment preferred by the Auditor.

- (vi) Review and discuss other material written communications between the Auditor and Management; and any other matters required to be communicated by the Auditor to the Committee by applicable rules and regulations.
- (vii) Assess the audit team.
- (viii) Assist in the resolution of disagreements, if any, between management and the Auditor regarding financial reporting.
- (ix) Review and pre-approve non-audit services proposed to be provided by the Auditor, to the extent required by law. The Committee may delegate, to the Chair of the Committee (the "**Chair**"), the authority to pre-approve non-audit services, and the Chair shall present any pre-approval to the Committee at the next scheduled meeting of the Committee.
- (x) Review and approve the fees and expenses of the Auditor.
- (xi) Establish guidelines for the retention of the Auditor for any non-audit services including a consideration of whether the provision of such services would impact the independence of the Auditor.
- (xii) At least annually, evaluate the Auditor's qualifications, performance and independence, including that of the Auditor's lead partner, and report the results of such review to the Board.
- (xiii) Where the Committee considers it appropriate, recommend a replacement for the Auditor and oversee any procedures required for the replacement thereof.
- (xiv) Review and approve the Company's policies with respect to the employment of present and former partners and employees of the present and former Auditor.

### **Internal Controls and Systems**

- (i) Review and discuss with Management the effectiveness of, or any deficiencies in, the design or operation of the Company's systems of internal controls and any allegation of fraud, whether or not material, involving Management or other employees who have a role in the Company's internal controls.

- (ii) Review with Management and the Auditor, the Company's internal accounting and financial systems and controls to assess the effectiveness of, or deficiency in the design or operation of those internal controls to get reasonable assurance that the Company has:
  - a) The appropriate books, records and accounts in reasonable detail to accurately and fairly reflect the Company's transactions;
  - b) Effective internal control systems; and
  - c) Adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud.
- (iii) Review with Management and advise the Board with respect to the Company's policies and procedures regarding compliance with new developments in accounting principles, laws and regulations and their impact on the financial statements of the Company.
- (iv) Review Management's report on and the Auditor's assessment of the Company's internal controls and report all deficiencies and remedial actions to the Board.

### **Risk Management**

- (i) Review with Management the Company's major financial risk exposures and the steps Management has taken to monitor and control such exposures.
- (ii) Review any related party transactions prior to such transactions being submitted to the Board for approval.
- (iii) Establish a complaint process and "whistle-blowing" procedures for the receipt, retention and treatment of any complaints regarding accounting, internal accounting controls or audit related matters.
- (iv) Establish procedures for employees' confidential, anonymous submissions of concerns regarding questionable accounting or auditing matters in accordance with the Company's Whistle Blower Policy or Code of Conduct.
- (v) Review, on a periodic basis, compliance with the Company's investment policy governing investments of excess cash balances.
- (vi) Receive and review Management's report and, if applicable, the report of the Auditor, with respect to: any material correspondence with, or other material action by, regulators or governmental agencies; any material legal proceeding involving the Company; or allegations concerning the Company's non-compliance with applicable laws or listing standards.

- (vii) Review any matter brought to the attention of the Committee relating to the existence of any actual or potential conflict of interest disclosure provided pursuant to the Company's Code of Conduct and determine appropriate action to be recommended to the Board.
- (viii) Monitor compliance with the Company's Code of Conduct.
- (ix) Review on a regular basis, any reports of whistle-blowing.
- (x) Investigate any reported violations of the Code of Conduct and determine an appropriate response, including corrective action and preventative measures when required. All reports are to be treated confidentially to every extent possible.

#### **Other Matters**

- (i) Direct and supervise the investigation into any matter brought to the Committee's attention within the scope of its duties.
- (ii) Perform such other duties as may be assigned to the Committee by the Board from time to time or as may be required by applicable law or regulatory authorities.

### **III. COMPOSITION**

- (i) On the recommendations of the Corporate Governance and Nominating Committee, the Board will annually appoint not fewer than three (3) directors to form the Committee, all of whom shall be "independent" and "financially literate" within the meaning of the applicable securities legislation and at least one member of the Committee shall meet the definition of a "financial expert" as defined under the Rules of the United States Securities and Exchange Commission.
- (ii) The Board may, at any time, remove or replace a member, or appoint additional members to fill any vacancy or to increase or decrease the size of the Committee. A member will serve on the Committee until the termination of the appointment or until a successor is appointed or the person ceases to be a director of the Company.

### **IV. MEETINGS AND PROCEDURES**

- (i) The Committee shall meet as often as it considers necessary and, subject to the terms hereof and applicable law, otherwise establish its procedures and govern itself as the members of the Committee may see fit in order to carry out and fulfill its duties and responsibilities hereunder.

- (ii) Meetings of the Committee may be called by a member of the Committee, the Chief Executive Officer, the Corporate Secretary, the Chief Financial Officer or the Auditor of the Company and held at such times and places as the person calling the meeting may determine. Not less than twenty-four (24) hours advance notice of any meeting shall be given orally or in writing personally delivered or by facsimile or electronic mail together with an agenda to each member of the Committee and the Auditor unless all members of the Committee are present at any meeting and agree to waive notice and any absent member of the Committee has waived notice or otherwise consented to the holding of such meetings in writing.
- (iii) A majority of members of the Committee will constitute a quorum (provided that a quorum shall not be less than 2 members). Decisions of the Committee will be by an affirmative vote of the majority of those members of the Committee voting at a meeting. In the event of an equality of votes, the Chair will not have a casting or deciding vote. The Committee may also act by resolution in writing signed by all the members of the Committee.
- (iv) The Board, or failing that, the Committee itself, shall select one of its members to act as the Chair (or in his or her absence, an alternate Chair).
- (v) The Committee shall keep or cause to be kept minutes or other records of its meetings and proceedings and provide such records to the Company as the Committee may so determine.
- (vi) Any member of the Committee may participate in a meeting by conference telephone or other communications equipment by means of which all persons participating in the meeting can adequately communicate with each other, and a member participating in a meeting pursuant to this section shall be deemed for purposes of the *Canada Business Corporations Act* to be present in person at the meeting.
- (vii) The Committee may invite Management, directors, employees or other persons as it sees fit from time to time to attend its meetings and assist thereat provided, however, that only members of the Committee may participate in the deliberation, and vote on any matter to be decided by the Committee.
- (viii) The Company shall provide the Committee with such resources, personnel and authority as the Committee may require in order to properly carry out and discharge its roles and responsibilities hereunder.
- (ix) The Committee has authority to communicate directly with the Auditor. The Committee will have access to the Auditor and Management, exclusive of each other, for purposes of performing its duties. The Committee will meet

with the Auditor independent of Management after each review of the unaudited and audited financial statements and at such other times as the Committee may require.

- (x) The Committee and its members shall have access to such documents or records of the Company and to such officers, employees or advisors of the Company or require their attendance at any meeting of the Committee, all as the Committee or the members thereof may consider necessary in order to fulfill and discharge their responsibilities hereunder.
- (xi) Subject to any limitation under applicable law, these Terms of Reference or direction of the Board, the Committee may delegate to a subcommittee or individual member of the Committee any of its duties or responsibilities hereunder.
- (xii) The Committee may from time to time authorize any member or members or any other director or officer of the Company to certify or to execute and deliver, for or on behalf of the Committee any such report, statement, certificate or other document or to do such acts or things as the Committee may consider necessary or desirable in order to discharge its duties and responsibilities hereunder.
- (xiii) The Auditor will be notified of results of and provided with copies of the minutes of each meeting of the Committee whether or not the Auditor attended.

## **V. OTHER MATTERS**

- (i) The Committee as whole or each member of the Committee individually may engage independent counsel and other outside advisors, at the Company's expense, where the member or the Committee determine that it is necessary to do so in order to assist in fulfilling their respective responsibilities.
- (ii) The Committee may, in consultation with the Board Chair, set the compensation of independent counsel and other outside advisors. The engagement and payment by the Company for the services of such independent counsel and other outside advisors are subject to approval of the Chair of the Committee.
- (iii) In connection with their service on the Committee, the members shall be entitled to such remuneration, payment or reimbursement of such incidental expenses and indemnification, on such terms as the Board may so determine from time to time.

- (iv) The Corporate Governance and Nominating Committee of the Board and the Committee itself shall, not less frequently than annually, assess, based on such factors as they may consider appropriate, the effectiveness of the Committee and the members of the Committee, in accordance with these Terms of Reference and report such assessments to the Corporate Governance and Nominating Committee, or the Board, as appropriate.
- (v) The Committee shall review and assess the adequacy of these Terms of Reference on a regular basis and consider whether these Terms of Reference appropriately address the matters that are or should be within its scope and, where appropriate, make recommendations to the Board or Corporate Governance and Nominating Committee for the alteration, modification or amendment hereof.
- (vi) These Terms of Reference may, at any time, and from time to time, be altered, modified or amended in such manner as may be approved by the Board.

## **VI. RESPONSIBILITIES AND DUTIES OF THE CHAIR**

The Chair of the Committee shall have the following responsibilities and duties.

- (i) Chair meetings of the Committee.
- (ii) In consultation with the Board Chair and the Corporate Secretary, determine the frequency, dates and locations of meetings of the Committee.
- (iii) In consultation with the Company's Chief Executive Officer, Chief Financial Officer, Corporate Secretary and others as required, review the annual work plan and the meeting agendas to ensure all required business is brought before the Committee.
- (iv) In consultation with the Board Chair, ensure that all items requiring the Committee's approval are appropriately tabled.
- (v) Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee.
- (vi) Carry out any other or special assignments or any functions as may be requested by the Board.

## **VII. LIMITATIONS ON THE COMMITTEE'S DUTIES**

Nothing in these Terms of Reference is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law. These Terms of Reference are not intended to change or interpret the constating documents of the Company or any federal, provincial, state or exchange law, regulation or rule to which the Company is subject, and these Terms of Reference should be interpreted in a manner consistent with all such applicable laws, regulations and rules. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to shareholders, competitors, employees or other persons, or to any other liability whatsoever.

Any action that may or is to be taken by the Committee may, to the extent permitted by law or regulation, be taken directly by the Board.

#### **VIII. APPROVAL**

Approved by the Board of Directors February 21, 2019.