

Compute Ontario
Audit and Resources Committee
Terms of Reference

Type	Standing Committee
Authority	By Resolution of the Board
Meetings	<ul style="list-style-type: none"> • Meetings shall be held at any time and place as determined by its members provided that prior notice of such meeting is given to each member of the Committee. • The Chair or, in his or her absence, one of the directors shall preside at all meetings of the members. • Meetings can be held by conference call. During such a meeting, votes shall be taken orally. • Minutes of meetings will be available to the board directors
Agenda	The Chair shall, in consultation with management and the auditors if necessary, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members in sufficient time for study prior to the meeting. Committee members may recommend agenda items subject to approval of the agenda by the Committee.
Principles	The role of the Audit and Resources Committee is to assist the Board by giving thoughtful and informed consideration to issues and options, assessing implications and risks and making recommendations for Board review and approval. The Committee is advisory to the Board.
Responsibilities - Finance	<p>The committee's first area of responsibility is to foster effective management and stewardship of Compute Ontario's resources. This includes the following:</p> <ul style="list-style-type: none"> ▪ Recommend the financial management framework, financial and procurement policies and yearly operational plans and budgets and oversee organization's financial position ▪ Review and recommend any changes in accounting policies or practices and key financial controls/processes to ensure proper oversight ▪ Monitor to ensure that Compute Ontario fulfills the financial obligations as outlined in the Funding Agreement with the Province ▪ Ensure that financial and business risks are identified and appropriately managed ▪ Ensure that the organization's assets are well managed, including investment of funds that are surplus to current operational requirements ▪ Develop an annual work plan that fulfills the responsibilities of the committee, to be tabled with the Board for approval ▪ Annually review compliance report to ensure regulatory items are complete and filed (e.g. CRA tax filings, insurance) ▪ Regularly review expense claims of the Chair of the Board and periodically review expense claims of Directors and the CEO to verify that payments comply with Compute Ontario policies and procedures ▪ Review the adequacy of insurance coverage maintained by Compute Ontario

<p>Responsibilities – Audit</p>	<p>The committee’s second area of responsibility is to assist the Board in overseeing Compute Ontario’s financial audit and controls and managing the relationship with the independent auditor. This includes the following:</p> <ul style="list-style-type: none"> ▪ Recommend to the Board the appointment and remuneration of the independent auditor ▪ Review the scope of the audit plan and ensure audit independence ▪ Review the annual financial statements of Compute Ontario and the external auditor’s report, make recommendations as appropriate and oversee management response to issues raised by the auditor ▪ Review with management and the external auditors the appropriateness of Compute Ontario’s accounting policies, disclosures, reserves, key estimates and judgements, including changes or variations thereto and to obtain reasonable assurance that they are in compliance with Canadian GAAP ▪ Review and approve any consulting services performed by the external auditor in excess of \$1,000.
<p>Composition</p>	<ul style="list-style-type: none"> ▪ At least three persons appointed by the Board who are deemed to be financially literate* ▪ The Board of Directors shall name the Chair of the Committee, who shall be a Director of the Board ▪ The Chair of the Board shall be an Ex Officio member of the Committee and are entitled to attend Committee meetings ▪ Ex Officio members shall be entitled to participate in discussions and vote at meetings, and will be counted in calculating quorum or in determining whether a quorum is present at a meeting.
<p>Term</p>	<ul style="list-style-type: none"> • Committee members will be appointed and may be removed by the Board • Directors may be appointed as Committee members for a period not exceeding their term as a Director. • Committee members may be reappointed for as many terms as the Board determines.
<p>Procedures</p>	<ul style="list-style-type: none"> ▪ Quorum for committee meetings is a majority the members ▪ The committee shall operate in accordance with the by-laws ▪ Each Committee member is entitled to one vote and decision shall be by majority vote of those present. In the event of a tie if there are only two members on the committee the deciding vote will be that of the Chair. ▪ The committee Chair is responsible for committee agenda, conducting the meetings, liaison with the Board Chair, the Board and the CEO, reporting to the Board on the activities of the committee and presenting committee recommendations to the Board.
<p>External Auditors</p>	<p>The external auditors are accountable to the Board through the Audit Committee. The external auditors report all material issues or potentially material issues to the Committee.</p>
<p>In Camera Meetings</p>	<p>At each meeting of the Committee, the members of the Committee may meet in private session with the external auditors; with management; and/or with the Committee members only.</p>