

## **TWIN BUTTE ENERGY LTD.**

### **TERMS OF REFERENCE FOR THE AUDIT COMMITTEE CHAIR**

The term "**Corporation**" refers to Twin Butte Energy Ltd., the term "**Board**" refers to the Board of Directors of the Corporation, the term "**Committee**" refers to the Audit Committee of the Board, and the term "**Chair**" refers to the chairperson of the Committee.

#### **I. INTRODUCTION**

- A.** The Chair is appointed annually by the Board and reports to the Board.
- B.** The Chair's primary role is managing the affairs of the Committee, including ensuring the Committee is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Committee.
- C.** The Chair works with the Vice President, Finance and Chief Financial Officer ("**CFO**") of the Corporation to ensure an effective working relationship with Committee members.
- D.** The Chair maintains on-going communications with the CFO and with such other officers and employees of the Corporation as the Chair determines appropriate.
- E.** The Chair, in conjunction with the Committee, maintains ongoing communications with the Corporation's external auditors.

#### **II. DUTIES AND RESPONSIBILITIES**

##### **A. Working With the Corporation and the Corporation's External Auditors**

The Chair has the responsibility to:

- (a) lead the Committee in overseeing the work of the Corporation's and the Corporation's financial management team and the Corporation's external auditors;
- (b) lead the Committee in overseeing the integrity of the Corporation's financial statements and financial reporting process, including the audit process and the Corporation's internal accounting controls and procedures and compliance with related legal and regulatory requirements; and
- (c) report to the Board after each Committee meeting at the Board's next meeting.

##### **B. Managing the Committee**

The Chair has the responsibility to:

- (a) seek to ensure the Committee is alert to its obligations to the Board and pursuant to law;
- (b) chair Committee meetings;
- (c) establish the frequency of Committee meetings and review such frequency from time to time, as considered appropriate (provided, however, that Committee meetings may be

called by the Chair at the request of two members of the Committee or at the request of the Corporation's external auditors);

- (d) assist the Board in its recommendation of Committee members and its review of the performance and suitability of the Committee members;
- (e) assist in the co-ordination of the agenda, information packages and related events for Committee meetings in conjunction with the CFO;
- (f) maintain a liaison and communication with Committee members, other directors and the Board Chairperson to co-ordinate input from Committee members and directors, and optimize the effectiveness of the Committee;
- (g) in collaboration with the CFO, assist in ensuring information requested by Committee members is provided and meets their needs; and
- (h) in conjunction with the Board (or a committee of the Board to which responsibility in respect thereof may be delegated), review and assess Committee attendance, performance and compensation and the size and composition of the Committee.