

AUDIT COMMITTEE MANDATE

1. PURPOSE

1.1 Audit Committee functions – The audit committee’s (the “**Committee**”) primary function is to assist the Board of Directors (the “**Board**”) of FirstCaribbean International Bank Limited (“**FCIB**”) in:

- 1.1.1 monitoring and reviewing the integrity of the consolidated financial statements, financial reports and other financial information of FCIB, including related management’s discussion and analysis (“**MD&A**”);
- 1.1.2 monitoring and reviewing FCIB’s internal control over financial reporting;
- 1.1.3 monitoring FCIB’s system of internal controls regarding finance, accounting, legal and ethics established by management and the Board;
- 1.1.4 monitoring FCIB’s compliance with legal and regulatory requirements;
- 1.1.5 selecting FCIB’s external independent auditors (the “**independent auditors**”) for shareholder approval;
- 1.1.6 reviewing the qualifications, independence and performance of FCIB’s independent auditors;
- 1.1.7 reviewing the qualifications, independence and performance of FCIB’s internal auditors and internal audit function;
- 1.1.8 managing the determination of FCIB’s financial year;
- 1.1.9 monitoring FCIB’s internal audit function; and
- 1.1.10 monitoring FCIB’s auditing, accounting and financial reporting processes generally.

Consistent with the audit function, the Committee should encourage continuous improvement of, and should foster adherence to, FCIB’s policies, standards, procedures and practices at all levels.

1.2 Group audit committee functions – Perform the above audit committee functions and act as the audit committee for the following FCIB subsidiaries (the “**FCIB Group**” or the “**Group**”):

- 1.2.1 FirstCaribbean International Bank (Barbados) Limited;
- 1.2.2 FirstCaribbean International Wealth Management Bank (Barbados) Limited;
- 1.2.3 FirstCaribbean International Bank (Bahamas) Limited;
- 1.2.4 FirstCaribbean International Bank (Cayman) Limited;
- 1.2.5 FirstCaribbean International Bank (Jamaica) Limited;
- 1.2.6 FirstCaribbean International Bank (Trinidad & Tobago) Limited;

- 1.2.7 FirstCaribbean International Bank (Curacao) NV;
- 1.2.8 FirstCaribbean International Trust Company (Bahamas) Limited;
- 1.2.9 FirstCaribbean International Bank and Trust Company (Cayman) Limited.

2. MEMBERSHIP AND ORGANIZATION

- 2.1 General – The organization of the Committee, including the number of Committee meetings, residency requirements of members, quorum requirements, meeting procedures and notices of meetings are as established by the by-laws of FCIB, as duly in effect from time to time, (the “By-Laws”). Any actions, determinations and responsibilities of the Committee will be subject to review and reconsideration by the Board, in its discretion, and in the event of any conflict, the actions, determinations and responsibilities of the Board will take precedence over those of the Committee, except to the extent that applicable law requires that the Committee make such determinations.
- 2.2 Composition – The Committee shall consist of at least three members chosen from the Board and any board of FCIB Group. At the invitation of the Committee, all directors of FCIB may attend and participate in Committee meetings but only members of the Committee are allowed to vote on any resolution placed before the Committee. At the invitation of the Committee, members of FCIB and FCIB Group management and others may attend Committee meetings, as the Committee considers necessary or desirable.
- 2.3 Appointment, Removal and Resignation of Committee Members – Each member of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee on an annual basis and shall serve at the pleasure of the Board, or until the earlier of:
 - 2.3.1 the close of the next annual meeting of shareholders of FCIB at which the member’s term of office expires;
 - 2.3.2 the election and qualification of such member’s successor;
 - 2.3.3 the death of the member; or
 - 2.3.4 the resignation, disqualification or removal of the member from the Committee or from the Board.

Any member of the Committee may be removed with or without cause by a majority of the Board.

All vacancies in the Committee shall be filled by the Board.

A member of the Committee may resign by giving written notice to the Board and may resign Committee membership without resigning from the Board.

- 2.4 Chair – At the time of the annual appointment of the members of the Committee, the Board shall appoint a Chair of the Committee. The Chair (or, in the absence of the Chair, the Chair’s alternate) shall:
 - 2.4.1 be a member of the Committee;

- 2.4.2 preside over all Committee meetings;
 - 2.4.3 coordinate the Committee's compliance with this mandate;
 - 2.4.4 work with management to develop the Committee's annual work plan and meeting agendas;
 - 2.4.5 provide reports on the work of the Committee to the Board if the Committee meets separately from the Board; and
 - 2.4.6 keep the boards of the other members of the Group fully informed of the proceedings of the Committee, whether by provision of reports, extracts of Committee minutes or otherwise as the Chair considers appropriate.
- 2.5 Financial Literacy and Financial Expertise – Members of the Committee shall be financially literate (i.e., be able to read and understand financial statements) upon appointment to the Committee, as determined by the Board, or agree to become financially literate within a reasonable period of time following the member's appointment to the Committee.

At all times, the Chair of the Committee shall be an audit committee financial expert, i.e., (a) has an understanding of applicable accounting rules and financial statements; (b) has the ability to assess the general application of such rules in connection with the accounting for estimates, accruals, and reserves; (c) has experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by FCIB's financial statements; (d) has an understanding of internal control over financial reporting; and (e) has an understanding of audit committee functions.

- 2.6 Independence – A majority of the Committee members shall be independent directors, of which at least two (2), including the Chair, (a) may not accept directly or indirectly any consulting, advisory or other compensatory fee from FCIB or any entity within FCIB Group or be affiliated with FCIB or FCIB Group, and (b) shall have no other relationship to FCIB that may interfere with the exercise of his or her independence from management and FCIB, including the receipt from FCIB of any compensation other than directors' fees and other compensation related to their service as a director.

3. MEETINGS

- 3.1 Meeting Attendance and Preparation – The Committee shall meet as often as it determines necessary to carry out its responsibilities, but not less frequently than quarterly in conjunction with Board meetings. Meetings of the Committee shall be called by the Group Corporate Secretary at the request of the Chair of the Committee or any two members of the Committee with at least three business days' notice being given, where practical.

The independent auditors are entitled to attend and be heard at each Committee meeting. The Committee may invite or require other persons to attend meetings where appropriate to assist the Committee in fulfilling its duties. Prior to each quarterly meeting, the Group Corporate Secretary will produce a package consisting of a meeting agenda, accurate minutes of the previous quarterly meeting(s) and any interim meetings since the last quarterly meeting in draft form, and reports consistent with the meeting agenda. Members of the Committee are expected to attend meetings of the Committee

and to review related meeting materials in advance. Alternates for Committee members will not be accepted (except as provided in Section 3.3 below). The Chair shall chair all Committee meetings that he or she attends, and in the absence of the Chair, the members of the Committee present may appoint an alternate Chair from their number for a meeting.

- 3.2 Secretary and Minutes – The Group Corporate Secretary, his or her designate or any other person the Committee requests, shall act as secretary of Committee meetings. The Group Corporate Secretary shall record and maintain minutes of the Committee meetings and subsequently present to the Committee for approval. The Group Corporate Secretary will produce accurate summary minutes of its proceedings in draft form to the Committee members for approval prior to the subsequent quarterly meeting, and shall, at the direction of the Committee Chair, promptly distribute to Committee members after each meeting a report summarizing the key matters discussed and resolved at such meeting.
- 3.3 Quorum – A majority of members of the Committee shall constitute a quorum, provided that the majority of the Committee members present shall be non-residents of Canada and satisfy any other requirements of the By-Laws. If a quorum cannot be obtained for a meeting, members of the Board who would qualify as members of the Committee may, at the request of the Chair of the Committee or Chair of the Board, serve as members of the Committee for that meeting. The action of a majority of those present at a meeting, at which a quorum is present, shall be the act of the Committee.
- 3.4 Access to Management and Outside Advisors – The Committee shall have unrestricted access to management and employees of the FCIB Group, and, from time to time may hold portions of meetings with the Chief Auditor, the independent auditors, the General Counsel, the Chief Risk Officer (the “CRO”), the Chief Financial Officer or the Chief Executive Officer.

The Committee shall meet periodically, and no less frequently than quarterly, in separate private sessions with management (including the Chief Financial Officer), the Chief Auditor and the independent auditor, and have such other direct and independent interaction with such persons, including independent legal, accounting or other advisers who may be retained by the Committee at FCIB’s expense, from time to time as the members of the Committee deem necessary or appropriate.

The Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the compensation of these advisors without consulting or obtaining the approval of the Board or any officer of FCIB. FCIB shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

- 3.5 Meetings Without Management – The Committee shall hold unscheduled or regularly scheduled meetings or portions of regularly scheduled meetings at which management is not present.
- 3.6 Access to Other Committees – The Chair or any member of the Committee may request the input of another Board committee on any accountability or responsibility set out in this mandate.
- 3.7 Delegation – The Committee may delegate authority to act upon specific matters within determined parameters to a subcommittee consisting of one or more members,

consistent with applicable law. Any such subcommittee shall report any action to the full Committee at its next meeting.

4. ACCOUNTABILITIES AND RESPONSIBILITIES

4.1 Financial Reporting

- 4.1.1 General – The Committee is responsible for reviewing the integrity of the FCIB’s consolidated financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the consolidated financial statements and financial disclosures of FCIB and for the appropriateness of the accounting principles and the reporting policies used by FCIB. The independent auditors are responsible for auditing the consolidated financial statements of FCIB and the effectiveness of internal control over financial reporting, if applicable, and for reviewing the unaudited interim consolidated financial statements of FCIB.
- 4.1.2 Review of Annual Financial Reports – The Committee shall review the annual audited consolidated financial statements of FCIB, the independent auditors’ report thereon and the related MD&A of FCIB’s financial condition and results of operation prior to the filing of the annual report to shareholders. After completing its review, if advisable, the Committee shall approve and recommend for Board approval the annual consolidated financial statements and the related MD&A. Also, the Committee shall discuss the results of the annual audit and any matters required to be communicated to the Committee by the independent auditors under applicable professional standards.
- 4.1.3 Review of Quarterly Financial Reports – The Committee shall review the quarterly consolidated financial statements of FCIB/ FCIB Group, the independent auditors’ review report thereon, if applicable. After completing its review, if advisable, the Committee shall approve and recommend for Board approval the interim consolidated financial statements and the related MD&A.
- 4.1.4 Review Considerations – In conducting its review of the annual consolidated financial statements or the interim consolidated financial statements, the Committee shall:
- 4.1.4.1 meet with management and the independent auditors to discuss the consolidated financial statements and MD&A;
 - 4.1.4.2 review completeness and clarity of the disclosures in the consolidated financial statements and the MD&A;
 - 4.1.4.3 review the reports prepared by the independent auditors for the Committee summarizing their key findings and required communications in respect of the annual audit and the interim reviews;
 - 4.1.4.4 discuss with management, the independent auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the consolidated financial statements;

- 4.1.4.5 review key areas of risk of material misstatement of the consolidated financial statements including critical accounting policies and estimates and other areas of measurement uncertainty underlying the consolidated financial statements and the MD&A as presented by management;
- 4.1.4.6 discuss with management and the independent auditors regarding significant financial reporting issues and judgments made about the preparation of the consolidated financial statements and the reasonableness of those judgments, including analyses of the effects of alternative Generally Accepted Accounting Principles or International Financial Reporting Standards (“IFRS”) methods on the consolidated financial statements;
- 4.1.4.7 review areas of significant auditor judgment as it relates to their evaluation of accounting policies, accounting estimates and consolidated financial statement disclosures;
- 4.1.4.8 review any major issues regarding accounting principles and consolidated financial statement presentations, including any significant changes in FCIB’s selection or application of accounting principles, and any major issues as to the adequacy and effectiveness of FCIB’s internal control over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses;
- 4.1.4.9 consider the judgment of both management and the independent auditor about the quality, not just the acceptability, of accounting principles;
- 4.1.4.10 review any material effects of regulatory and accounting changes, significant or unusual transactions, as well as off-balance sheet structures, and the impact of material subsequent events between the reporting date and the approval date on the consolidated financial statements and the MD&A as presented by management;
- 4.1.4.11 if applicable, discuss with management (including the Chief Auditor) and the independent auditor management’s report on its assessment of the effectiveness of internal control over financial reporting as of the end of each fiscal year and the independent auditor’s report on the effectiveness of internal control over financial reporting and, if applicable, the independent auditor’s attestation report;
- 4.1.4.12 review the substantive correspondence between the independent auditor and management related to the independent auditors’ findings and any difficult or contentious matters noted by the independent auditor;
- 4.1.4.13 review results of FCIB’s whistleblowing program; and
- 4.1.4.14 review any other matters, related to the consolidated financial statements and the MD&A, that are brought forward by the internal auditors, independent auditors, management or which are required

to be communicated to the Committee under auditing standards or applicable regulations and law.

- 4.1.5 The Committee shall review and discuss with the independent auditor, before the distribution of the annual report to shareholders, all critical accounting policies and practices of FCIB; all material alternative treatments of financial information within IFRS that have been discussed with management, including the ramifications of using such alternative treatments and disclosures, and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and management.
- 4.1.6 The Committee shall review and approve any disclosures in connection with all related-party and affiliate transactions that are required to be disclosed in financial statements.
- 4.1.7 The Committee shall discuss with the independent auditor the characterization of deficiencies in internal control over financial reporting. The Committee shall also discuss, with management, management's remediation plan to address internal control deficiencies. The Committee shall determine that the disclosures describing any identified material weaknesses and management's remediation plans are clear and complete.
- 4.1.8 The Committee shall discuss with management its process for performing its required certifications in connection with the annual report and financial statements, including the evaluation of the effectiveness of disclosure controls by the Chief Executive Officer and the Chief Financial Officer. The Committee shall review disclosures made to the Committee by FCIB's Chief Executive Officer and Chief Financial Officer during their certification process for the annual report and financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in FCIB's internal controls.
- 4.1.9 The Committee shall discuss with management, the internal auditors and the independent auditor (1) any changes in internal control over financial reporting that have materially affected or are reasonably likely to materially affect FCIB's internal control over financial reporting that are required to be disclosed and (2) any other changes in internal control over financial reporting that were considered for disclosure in FCIB's periodic filings with regulatory authorities.
- 4.1.10 The Committee shall discuss with the independent auditor the matters required to be discussed by the International Standards on Auditing relating to the conduct of the audit, including any difficulties encountered in the course of the audit work; any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- 4.1.11 The Committee shall review and discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding FCIB's consolidated financial statements or accounting policies.
- 4.1.12 Approval of Other Disclosures – The Committee shall review and, if advisable, approve or recommend for Board approval, financial disclosure in a news release disclosing financial results and any other material financial disclosure.

4.1.13 Press Releases and Financial and Capital Reports

- 4.1.13.1 The Committee shall review and establish with management the general criteria for information to be used in FCIB's earnings press releases.
- 4.1.13.2 The Committee shall review and discuss earnings press releases, including the use of "pro forma" or "adjusted" non-IFRS information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be general (consisting of discussing the types of information to be disclosed and the types of presentations to be made), and each earnings release or each instance in which FCIB provides earnings guidance need not be discussed in advance.
- 4.1.13.3 The Committee shall review and discuss with management any financial and capital reports provided to regulators.

4.2 **Independent auditors**

- 4.2.1 General – The Committee shall be responsible for oversight of the work of the independent auditors in auditing and reviewing FCIB's consolidated financial statements and internal controls over financial reporting including the resolution of disagreements between management and the independent auditors regarding financial reporting.
- 4.2.2 Appointment and Compensation – The Committee shall have the direct responsibility to recommend to the shareholders at each annual meeting of shareholders, the appointment of the independent auditor (subject to shareholder ratification), which shall include direct responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.

FCIB shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for FCIB and to any advisors employed by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- 4.2.3 The Committee shall satisfy itself that the level of the audit fees is commensurate with the scope of work undertaken and that any fee reductions continue to ensure a quality audit. The Committee shall also assess whether any proposed change to the independent auditor's materiality level and/or scope continues to ensure a quality audit.
- 4.2.4 Annual Review Report and Independence of Independent Auditors – At least annually, the Committee shall obtain and review a report by the independent auditors describing: (i) their internal quality-control procedures; (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within

the preceding five years respecting one or more independent audits carried out by the independent auditors and any steps taken to deal with any of these issues, and (iii) all relationships between the independent auditor and FCIB to assess the auditors' independence.

At least annually, and before the independent auditors issue their report on the annual consolidated financial statements, the Committee shall:

- 4.2.4.1 determine that the independent auditor has a process in place to address the rotation of the lead audit partner and other audit partners serving the account;
- 4.2.4.2 discuss with the independent auditors any disclosed relationships or services that may affect the objectivity and independence of the independent auditors;
- 4.2.4.3 obtain written confirmation of independence within the meaning of the rules of professional conduct or code of ethics adopted by the institute or order of chartered accountants to which they belong; and
- 4.2.4.4 obtain a report from the independent auditors annually verifying that they are in compliance with all audit firms and regulatory requirements relating to partner rotation and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.

After reviewing the foregoing report and the independent auditor's work throughout the year, the Committee shall evaluate the auditors' qualifications, performance and independence. This evaluation should include the review and evaluation of the lead audit partner and take into account the opinions of management and FCIB's personnel responsible for the internal audit function. The Committee shall present its conclusions with respect to the independent auditor to the Board.

- 4.2.5 Audit Plan – The Committee shall meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit. At least annually, the Committee shall review and approve the independent auditors' annual audit plan to ensure that it is appropriate and risk based. The Committee shall consider and review with the independent auditors any material changes to the scope of the plan. The Committee shall also ensure in relation to the next planned audit, that the Chief Executive Officer and Chief Financial Officer or employee serving in a similar position in FCIB did not participate in any capacity in the audit of FCIB as a member of that auditing firm in the one-year period preceding the initiation of that planned audit.
- 4.2.6 Evaluation and Rotation of Lead Partners – At least annually, the Committee shall review the qualifications and performance of the lead partners of the independent auditors. The Committee shall determine that the independent auditor has a process in place to address the rotation of the lead audit partner and other audit partners serving the account. The Committee shall obtain a report from the independent auditors annually verifying that they are in compliance with all audit firms and regulatory requirements relating to partner rotation and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.

4.2.7 Pre-Approval of Services – The Committee shall pre-approve any retainer of the independent auditors for all audit and non-audit services to the FCIB Group in accordance with applicable law and the Board approved policies and procedures, including internal control-related services, and shall receive certain disclosure, documentation and discussion of non-prohibited tax services by the independent auditor, subject to any applicable de minimis exception for non-audit services that are approved by the Committee prior to the completion of the audit. The Committee shall review and discuss with the independent auditor any documentation supplied by the independent auditor as to the nature and scope of any tax services to be approved, as well as the potential effects of the provision of such services on the auditor’s independence.

The Committee may delegate preapproval authority to a member of the Committee and the Committee may also establish pre-approval policies and procedures that are specific to a particular service. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled meeting.

4.2.8 The Committee shall regularly review with the independent auditor any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the independent auditor’s activities or access to requested information, and management’s response. The Committee should review differences that were noted or proposed by the auditors but were passed (as immaterial or otherwise) and any management or internal control letter issued, or proposed to be issued, by the audit firm to FCIB that is in addition to its audit report on the effectiveness of internal control over financial reporting.

4.2.9 The Committee shall ensure that the independent auditors keep the Committee informed about fraud, illegal acts, deficiencies in internal control, and certain other matters that the Committee determines.

4.2.10 The Committee shall discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by FCIB’s audit team.

4.2.11 Hiring Practices – The Committee shall review and approve any guidelines regarding the hiring of employees or former employees of the independent auditors that meet applicable regulations and applicable stock exchange listing standards.

4.2.12 Financial Year – The Committee shall review and approve the selection of and/or change in financial year of FCIB or any member of FCIB Group.

4.2.13 The Committee shall review the extent to which independent auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown.

4.3 Internal Audit Function

4.3.1 Organizational Framework – At least annually, the Committee shall review the Internal Audit organizational framework and charter (developed in accordance with professional standards promulgated by the Institute of Internal Auditors),

having regard to its role and an independent control function. The Committee shall review the activities, staffing, organizational structure and credentials of the internal audit department.

- 4.3.2 Chief Auditor – The Committee shall review and, if advisable, approve the appointment or removal of the Chief Auditor. At least annually the Committee shall review the goals and review and approve the Internal Audit Charter and review an assessment of the effectiveness and performance of the Chief Auditor and internal audit function and as required, have input into the performance evaluation of the Chief Auditor. The Committee shall review and approve the compensation of the Chief Auditor.
- 4.3.3 Effectiveness Review – At least annually, the Committee shall:
- 4.3.3.1 review the Internal Audit function’s financial plan and staff resources and recommend for Board approval;
 - 4.3.3.2 review management’s assessment of the independence and effectiveness of the Internal Audit function and evaluate the Chief Auditor’s administrative reporting line;
 - 4.3.3.3 review any difficulties encountered by the Chief Auditor in the course of internal audits, including any restrictions on the scope of internal audit work or access to required information; and
 - 4.3.3.4 review the compliance of Internal Audit with professional standards promulgated by the Institute of Internal Auditors.
- 4.3.4 The Committee shall receive and review reports on the status of significant findings and recommendations, and management’s responses.
- 4.3.5 On a periodic basis, the Committee shall engage an independent third party to assess the Internal Audit function in accordance with professional standards promulgated by the Institute of Internal Auditors and the Committee shall review the results of that assessment.
- 4.3.6 The Committee shall review the extent to which internal auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown.
- 4.3.7 Audit Plan – The Committee shall review and approve the annual audit plan including the audit scope and all major changes to the plan presented by the Chief Auditor to ensure that it is appropriate risk based and addresses all relevant activities over a measurable cycle. The Committee shall review and discuss with the internal auditors the scope, progress and results of executing the internal audit plan. The Chief Auditor, on a quarterly basis, will review the status of the audit plan and any changes needed, including a review of:
- 4.3.7.1 the results of audit activities, including any significant issues reported to management and management’s response and/or corrective actions;
 - 4.3.7.2 the status of identified control weaknesses; and

4.3.7.3 the adequacy and degree of compliance with systems of internal control.

4.4 Finance Function

4.4.1 Organizational Framework – At least annually, the Committee shall review and approve the Finance organizational framework, having regard to its role as an independent control function.

4.4.2 Chief Financial Officer – The Committee shall review and, if advisable, approve the appointment or removal of the Chief Financial Officer. At least annually, the Committee shall review the goals and review and approve the mandate of the Chief Financial Officer and review an assessment of the effectiveness of the Chief Financial Officer.

4.4.3 Effectiveness Review – At least annually, the Committee shall:

4.4.3.1 review the Finance function’s financial plan and staff resources and recommend for Board approval;

4.4.3.2 review management’s assessment of the effectiveness of the Finance function.

4.5 Internal Control & Compliance Oversight and Responsibilities

4.5.1 General – The Committee shall monitor the system of internal control.

4.5.2 Establishment, Review and Approval – The Committee shall require management to implement and maintain appropriate policies and systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. The Committee shall review management’s annual report on internal control over financial reporting and the independent auditors’ report on internal controls. As part of this review, at least annually, the Committee shall consider and review with management, the independent auditors, the Chief Auditor, and the CRO:

4.5.2.1 the effectiveness of, or weaknesses or deficiencies in: the design or operation of FCIB’s internal controls (including computerized information system controls and security);

4.5.2.2 the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), operational controls, and legal and regulatory controls (including with respect to money laundering and terrorist financing) and the impact of any identified weaknesses in internal controls on management’s conclusions;

4.5.2.3 any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in FCIB’s periodic regulatory reporting;

- 4.5.2.4 any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding FCIB's consolidated financial statements or accounting policies;
- 4.5.2.5 any related significant issues and recommendations of the independent auditors and internal auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses including those relating to internal controls over financial reporting and disclosure controls.
- 4.5.3 The Committee shall obtain from the independent auditor assurance that the independent auditor has investigated and reported any illegal conduct discovered during the course of the audit.
- 4.5.4 Regulatory and Returns – The Committee shall provide or review, as applicable, all reports and returns required of the Committee under applicable law.
- 4.5.5 Compliance with Legal and Regulatory Requirements – The Committee will review reports from management, the external auditor and the Chief Auditor, as applicable, on the assessment of compliance with applicable laws as they pertain to responsibilities under this mandate, and management's plans to remediate any deficiencies identified. The Committee shall also receive and review regular reports from the General Counsel on legal matters that may have a material impact on FCIB. The Committee will report any material findings to the Board and recommend changes it considers appropriate.
- 4.5.6 Whistleblowing Policy – The Committee shall ensure that a policy is established for the receipt, retention and treatment of complaints received from employees or others, confidentially and anonymously, regarding accounting, internal accounting controls, or auditing matters. The Committee shall review management reports on the policy requirements.
- 4.5.7 Adverse Investments and Transactions – The Committee shall review any investments and transactions that could adversely affect the well-being of FCIB..
- 4.5.8 Committee Disclosure – The Committee shall review and approve any audit committee disclosures required by securities regulators in FCIB's disclosure documents.
- 4.5.9 Assessment of Regulatory Compliance – The Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report any material findings to the Board and recommend changes it considers appropriate.
- 4.5.10 The Committee shall have the authority to retain outside counsel, accountants, experts and other advisors that it deems appropriate to assist the Committee in performing its functions. The Committee shall be provided with appropriate funding, as determined by the Committee, for payment of compensation to such outside counsel, accountants, experts and other advisors.
- 4.5.11 The Committee shall review the actions of any subsidiary company audit committees and any subsidiary company audit committee minutes.

4.5.12 The Committee shall annually review any policies, procedures and audit results associated with directors' and officers' expense accounts and perquisites.

4.5.13 The Committee shall conduct or authorize investigations into any matters within its scope of responsibility.

4.6 Investigative Authority and Other Responsibilities

The Committee shall be empowered to investigate any matter brought to its attention with full access to all FCIB's books, records and personnel, using special counsel or outside experts when necessary or appropriate.

The Committee will also undertake such other responsibilities and matters as are designated, from time to time, by the Board.

5. REPORTING TO THE BOARD

The Committee Chair or designate will provide a summary of Committee proceedings at the next Board meeting. The Committee shall make regular reports to the Board. The Chair shall report to the Board on material matters arising at Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval. The Committee Chair shall not be required to report to the Board on Committee proceedings if such proceedings were held in joint sessions with the Board.

6. COMMITTEE MEMBER DEVELOPMENT AND PERFORMANCE REVIEW

The Committee will evaluate its performance on an annual basis to determine whether it is functioning effectively, and will evaluate its compliance with the Committee's mandate on an annual basis. The Committee will also review the Committee's mandate on an annual basis. The Committee also shall discuss with the independent auditor the independent auditor's observations related to the effectiveness of the Committee.

The Chair shall co-ordinate orientation and continuing director development programs relating to this mandate for Audit Committee members.

7. CHANGES TO THE COMMITTEE MANDATE

This mandate may be amended, supplemented or waived from time to time by the Board.

8. CURRENCY OF THE COMMITTEE MANDATE

This mandate was last revised and approved by the Board on June 1, 2023.