



## AUDIT COMMITTEE CHARTER

### A. PURPOSE

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of GreenFirst Forest Products Inc. (the “**Corporation**”) with the primary function to:

- (a) assist the Board in fulfilling its responsibilities by reviewing:
  - (i) the financial statements provided by the Corporation to any governmental or regulatory body exercising authority over the Corporation (each a “**Regulatory Body**” and collectively, the “**Regulatory Bodies**”), the Corporation’s shareholders or to the general public, and
  - (ii) the Corporation’s internal financial and accounting controls;
- (b) monitor the qualifications, independence and performance of the Company’s independent auditors;
- (c) monitor the performance of the Company’s internal audit function; and
- (d) recommend, establish and monitor procedures including, without limitation, those relating to risk management and those designed to improve the quality and reliability of the disclosure of the Corporation’s financial condition and results of operations.

While the Committee has the responsibility and authority set forth in the Charter, the Committee serves in an oversight role and is not responsible for planning or conducting audits or determining that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. Those are the responsibilities of the independent auditors and management respectively.

### B. COMPOSITION & MEETINGS PROCEDURE

The Committee shall be comprised of a minimum of three directors as appointed by the Board, each of whom will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the Corporation’s securities are listed, including National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Provided that so long as the Corporation is a “venture issuer” as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*, the Corporation can, if necessary, rely on the exemptions from the independence requirements contained in Part 6 of NI 52-110. In addition, each member of the Committee (a “**Member**”) will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.

The Members of the Committee shall be appointed by the Board at the meeting of the Board following each annual meeting of the shareholders, and shall serve until their successors shall be duly appointed and qualified or until their earlier death, resignation or removal. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

Meetings of the Committee may be called at the request of any member of the Committee, the CFO or the external auditor or otherwise as required by law. Any such request will set out in reasonable detail the



business proposed to be conducted at the meeting so requested. The Committee shall fix its own procedure at meetings and for the calling of meetings. The Committee shall meet at least each quarter and otherwise as necessary.

The CFO shall have direct access to the Committee and shall attend all meetings of the Committee as requested, and the CEO and the Board Chair and other directors shall receive notice of and have the right to attend all meetings of the Committee, except in each case such part of the meeting, if any, which is a private session not involving all or some of these officers as determined by the Committee. The external auditor of the Corporation is given notice of Committee meetings and, at the expense of the Corporation, is requested to attend and be heard thereat, except such part of the meeting, if any, which is a private session not involving the external auditor. As requested by a Committee member, the external auditor will attend every Committee meeting as invited held during such external auditor's term of office.

Unless otherwise determined, from time to time, by resolution of the Board, a majority of the Committee constitutes a quorum. No business may be transacted by the Committee except by resolution in writing signed by all the Committee members (whether in writing or electronically) or at a Committee meeting at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communication facilities that permits all participants to communicate adequately with each other during the meeting. At Committee meetings, Committee actions shall require approval of a majority of the votes cast by Committee members, except where only two (2) members are present, in which case any question shall be decided unanimously.

The Committee and the Chair may invite any directors, officers or employees of the Corporation and any advisors or such other persons as it sees fit, from time to time, to attend Committee meetings (or any part thereof) and assist in the discussion and consideration of matters relating to the Committee, and may exclude from all or any portion of its meetings any person it deems appropriate in order to carry out its responsibilities.

The Committee meets in camera, in the absence of management and the external auditor, at each regularly scheduled meeting.

The Corporate Secretary will be the secretary of all meetings. If the Corporate Secretary is not in attendance at any meeting, the Committee appoints a secretary to the Committee who need not be a director or officer of the Corporation. Minutes of Committee meetings will be recorded and maintained by the Committee's secretary and will be presented to the Chair for review and approval.

The Committee may delegate authority to one or more subcommittees or members provided that decisions of such subcommittee or members shall be presented to the full Committee at its next scheduled meeting.

### **C. RESPONSIBILITIES**

To fulfill its responsibilities and duties, the Committee shall:

#### ***Document Review***

1. Review with representatives of management and representatives of the Corporation's independent accounting firm the Corporation's audited annual financial statements, Management's Discussion & Analysis document, and annual results press release, prior to their filing. After such review and discussion, the Committee shall recommend to the Board whether such audited financial statements, and Management's Discussion & Analysis should be included in the Corporation's Annual Report. The Committee shall also review



the Corporation's interim financial statements, Management's Discussion & Analysis document, and interim results press releases, prior to their filing.

2. Review and discuss the Corporation's interim financial statements with the independent accounting firm prior to their inclusion in the Corporation's interim reports;
3. At least annually, assess the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosures noted in (2) above.

#### ***Independent Accounting Firm***

1. Be responsible for the selection, compensation and oversight of any independent accounting firm engaged by the Corporation for the purpose of preparing or issuing an audit report or related work. The Committee shall have the ultimate authority and responsibility to select, evaluate and, when warranted, replace such independent accounting firm (or to recommend such replacement for shareholder approval in any proxy statement).
2. Instruct the independent accounting firm that it should report directly to the Committee on matters pertaining to the work performed during its engagement and on matters required by the rules and regulations of any applicable Regulatory Body.
3. On an annual basis, receive from the independent accounting firm a formal written statement identifying all relationships between the independent accounting firm and the Corporation. The Committee shall actively engage in a dialogue with the independent accounting firm as to any disclosed relationships or services that may impact its independence. The Committee shall take appropriate action to oversee the independence of the independent accounting firm.
4. On an annual basis, discuss with representatives of the independent accounting firm the matters required to be discussed by the rules, regulations and guidelines governing the independent accounting firm.
5. Meet with the independent accounting firm prior to the audit to review the planning and staffing of the audit, and consider whether or not to approve the auditing services proposed to be provided.
6. Evaluate the performance of the independent accounting firm and consider the discharge of the independent accounting firm when circumstances warrant. The independent accounting firm shall be ultimately accountable to the Board and the Committee.
7. Consider in advance whether or not to approve any non-audit services to be performed by the independent accounting firm, which are required to be approved by the Committee pursuant to the rules and regulations of any applicable Regulatory Body.

#### ***Financial Reporting Process***

1. In consultation with the independent accounting firm and management, review annually the adequacy of the Corporation's internal financial and accounting controls.
2. Review disclosures made by the Corporation's CEO and CFO as required by applicable laws, and prior to the filing of the Annual Report or any interim reports, a report, date of filing of the Annual Report or any interim reports, to the Committee which evaluates the design and operation of the Corporation's internal financial and accounting controls, and which discloses (a) any significant deficiencies discovered in the design



and operation of the internal controls which could adversely affect the Corporation's ability to record, process, summarize, and report financial data; and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls. The Committee shall direct the actions to be taken and/or make recommendations to the Board of actions to be taken, to the extent such report indicates the finding of any significant deficiencies in internal controls or fraud.

3. Review and discuss reports from the independent auditors on the Corporation's critical accounting policies and accounting estimates resulting from the application of these policies, and inquire at least annually of both the Corporation's management and the independent accounting firm as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies.

4. Review with the Corporation's CFO the use of non-GAAP measures to ensure compliance with all applicable disclosure requirements

#### ***Oversight of Internal Audit & Risk***

1. Assess the adequacy of the Internal Audit & Risk Mandate periodically as conditions dictate, but at least annually and update the mandate if and when appropriate.

2. On an annual basis, review and approve the Internal Audit & Risk Plan, including the proposed scope, and on a quarterly basis, review the status of such plan and a summary of audit reports and assessment of risk.

3. On an annual basis, review the effectiveness, degree of independence and objectivity of the Internal Audit & Risk function.

4. Review the internal audit function of the Corporation, including the qualifications, performance and authority of the internal auditor, proposed internal audits, progress on proposed internal audits, findings from completed internal audits, the status of any recommended remedial actions and the reasons for any deviations from the audit plan.

#### ***Risk Management***

1. Discuss with management the Corporation's major financial risk exposure and the steps management has taken to monitor and control such exposures including the Corporation's policies with respect to risk assessment and risk management.

2. On an annual basis, review the risk profile of the Corporation, including risk tolerances, processes, accountabilities and limits of authorities.

3. On a quarterly and annual basis, review the Management's Discussion & Analysis and Annual Report to ensure it accurately reflects the risk profile of the Corporation.

4. Encourage an open and risk-conscious environment where the Board and management actively promote and discuss areas relating to risk management.

#### ***Compliance***

1. To the extent deemed necessary by the Committee, it shall have the authority to engage outside counsel, independent accounting consultants and/or other experts, in each case at the Corporation's expense, to review any matter under its responsibility.



2. Establish procedures for (a) receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
3. Investigate any allegations that any officer or director of the Corporation, or any other person acting under the direction of any such person, took any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Corporation for the purpose of rendering such financial statements materially misleading and, if such allegations prove to be correct, take or recommend to the Board appropriate disciplinary action.
4. The Committee shall ensure that any options grants approved by the Board are issued at the grant date with the appropriate exercise price and the correct amount of options provided in total.
5. Discuss with the legal counsel legal matters that may have an impact on the Corporation's financial statements and compliance and internal control.
6. Discuss with management and independent auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the financial statements.

#### ***Reporting***

1. Prepare, in accordance with the rules of any Regulatory Body, a written report of Committee to be included in the Corporation's annual proxy statement for each annual meeting of shareholders.
2. Instruct the Corporation's management to disclose in its Annual Report and in any interim reports the approval by the Committee of any non-audit services performed by the independent accounting firm, and review the substance of any such disclosure.

#### ***Conflicts of Interest***

1. Review all related party transactions involving executive officers and members of the Board and, as required by any Regulatory Body, consider approval of such transactions, or recommendation for approval to the Corporate Governance and Compensation Committee of the Corporation.

#### **D. AUDIT COMMITTEE CHAIR**

In addition to the responsibility and specific duties as an individual director, and any other applicable charter or position description, the chair ("**Chair**") of the Committee has the responsibility and specific duties described below.

#### ***Appointment***

The Chair will be a duly elected member of the Board and be appointed by the Board as the Chair each year. The Chair will be independent as defined from time to time under applicable securities laws and will have the appropriate competencies and skills as determined by the Board.

#### ***Responsibility***

The Chair provides independent, effective leadership to the Committee and leads the Committee in fulfilling the duties set out in its Charter.



### ***Specific Duties***

The Chair will:

1. Provide overall leadership to enhance the effectiveness of the Committee.
2. Take all reasonable steps to provide that the responsibilities and duties of the Committee, as outlined in its Charter, are executed as effectively as possible.
3. Foster ethical and responsible decision-making by the Committee and its individual members.
4. Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling the terms of its Charter.
5. With the Corporate Governance and Compensation Committee, oversee the structure, composition, membership and activities delegated to the Committee.
6. With the Corporate Governance and Compensation Committee, ensure that the Committee's composition complies with applicable law.
7. With the other Committee members, and members of management as appropriate, establish the agenda for each Committee meeting.
8. Chair all meetings of the Committee, including closed sessions and in-camera sessions. If the Committee Chair is not present at a meeting, the Committee members present will choose a Committee member to chair the meeting.
9. Encourage Committee members to ask questions and express viewpoints during meetings.
10. Deal effectively with dissent, and work constructively towards arriving at decisions and achieving consensus.
11. Take all reasonable steps to ensure that the Committee meets in separate, regularly scheduled, non-management, in-camera sessions.
12. Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
13. Facilitate effective communication between Committee members and management, both inside and outside of Committee meetings.
14. Have an effective working relationship with members of management.
15. Coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.
16. Carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.

To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this position description is delegated to the secretary, who will report any amendments to the Corporate Governance and Compensation Committee at its next meeting.

Once or more annually, as the Corporate Governance and Compensation Committee decides, this position description will be fully evaluated and updates recommended to the Board for consideration.

### **E LIMITATION ON DUTIES**

Notwithstanding the foregoing and subject to applicable law, nothing contained in the present Charter is intended to require the Committee to ensure the Corporation's compliance with applicable laws.



The Committee shall discharge its responsibilities and shall assess the information provided by the Corporation's management and any external advisors, including the external auditor, in accordance with its business judgment. Committee members are not full-time Corporation employees and are not, and do not represent themselves to be, professional accountants or auditors. The authority and responsibilities set forth in this Charter do not create any duty or obligation of the Committee to (i) plan or conduct any audits, (ii) determine or certify that the Corporation's financial statements are complete, accurate, fairly presented or in accordance with International Financial Reporting Standards, as applicable, and applicable laws, (iii) guarantee the external auditor's reports, or (iv) provide any expert or special assurance as to internal controls or management of risk. Committee members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons from whom they receive information, the accuracy and completeness of the information provided and management's representations as to any audit or non-audit services provided by the external auditor.

Nothing in this Charter is intended or may be construed as to impose on any Committee member 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 laws. This Charter is not intended to change or interpret the Corporation's constating documents or applicable laws to which the Corporation is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws. The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. 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 on the part of the Corporation or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

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.

## **F RESOURCES**

To fulfill its roles, duties and responsibilities effectively, the Committee may communicate directly with the Corporation's external auditors and the Corporation's officers and employees and request Corporation information and documentation from these persons. The Committee may investigate any matter relating to the Corporation's audit and accounting practices, or anything else within its scope of responsibility, and obtain full access to all Corporation books, records, facilities and personnel. In addition, the Committee may, in its sole discretion, retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee may set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Corporation.

## **G EVALUATION OF COMMITTEE AND CHARTER REVIEW**

On an annual basis, the Committee shall review and evaluate its performance. In conducting this review, the Committee shall address such matters that the Committee considers relevant to its performance and evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The review and evaluation shall be conducted in such a manner as the Committee deems appropriate. Among other things, the Committee shall evaluate and assess the financial literacy of its members. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its review and evaluation,



including any recommended changes to this Charter and any recommended changes to the Corporation's or the Board's policies or procedures, as it deems necessary or appropriate.

APPROVED by the Board of Directors on 8 November, 2022.