IESO – Audit Committee Charter – proposed changes

4.5 External Auditor

(a) Review and approve the External Auditor's fees for the annual financial statements audit and any other compensation to be paid to the External Auditor.

(b) Review and approve the scope, plan and results of the External Auditor's audit and reviews, including the Auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the External Auditor to perform supplemental reviews, audits or other work as deemed desirable.

(c) Review with the External Auditor and Management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.

(d) All non-audit services to be performed by the External Auditor shall be reviewed and approved before such work is commenced. In seeking such approval, Management shall provide written confirmation from the External Auditor that undertaking the proposed non-audit services will not compromise the independence of the External Auditor. The Chairman is authorized to approve requests for non-audit services to be performed by the External Auditors save and except where such proposed non-audit service exceeds or is expected to exceed $75,000 in fees, or the service is, in the opinion of the Chairman, of a sensitive or unusual nature, in which case the approval of the Audit Committee shall be obtained. The Chairman has the responsibility to inform the Committee of all pre-approved non-audit services at its next meeting.

(e) On an annual basis, confirm the independence of the External Auditor by obtaining statements from the External Auditor and discussing with them their relationship with the Corporation.

(f) Review the performance of the External Auditor and recommend appointment, re-appointment, or discharge of the External Auditor to the Board for approval.

(g) Meet in camera (in the absence of Management) with the External Auditor to discuss any matter the Committee or External Auditor believes should be discussed privately.