



# FIERA CAPITAL

(the “Corporation”)

## AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

REVISED ON MARCH 18, 2020

### 1. MANDATE

The Audit and Risk Management Committee (“**Committee**”) is established by and among the Board of Directors (“**Board**”) for the primary purpose of assisting the Board in fulfilling its key oversight responsibilities regarding:

- The integrity of the Corporation’s consolidated financial statements and related information.
- The adequacy and effectiveness of the Corporation’s system of disclosure controls and procedures (“**DC&P**”) as well as systems of internal controls.
- The evaluation of the Corporation’s external auditor (“external auditor”) including its qualifications, independence, compensation and performance for recommendation of appointment at the Annual General Meeting
- The appropriateness of the Corporation’s Enterprise risk management program, policies and practices.
- The Corporation’s compliance with legal and regulatory requirements as well as with its ethical standards.
- Any additional or special assignments or any functions as requested or delegated to it from time to time by the Board.

The Committee shall inform and report periodically to the Board about its activities, issues and related recommendations.

The Committee shall provide for open communication among the external auditor, executive and senior management (“**Management**”), and the Board.

The Committee shall encourage continuous improvement of, and foster adherence to the Corporation’s policies, procedures and practices at all levels.

The Committee shall have the authority to engage any outside advisor if deemed necessary to assist the Committee in performing its responsibilities.

## **2. OPERATING MODE**

### **2.1 Composition**

The Committee shall consist of at least three (3) directors of the Board (“**Members**”). Each year, upon the recommendation of its Governance Committee, the Board will appoint Members and the Committee chair (“**Chair**”) at its first meeting following the annual shareholders’ meeting.

The Members shall meet the independence, experience and/or other membership requirements under applicable laws, rules and regulations as determined by the Board.

In the Chair’s absence or in case of a temporary position vacancy, the Committee may select another Member as Chair. The Chair may exercise all powers of the Committee in between meetings. Nevertheless, the Chair shall reasonably involve the other Members prior to exercising any power and advise them of the decisions ensuing the exercised powers.

The Board may, at any time, remove or replace a Member. A Member may also resign. The Board shall fill the Committee’s vacancy by appointment amongst directors. Subject to quorum requirement, the remaining Members shall exercise all the powers of the vacant member position.

### **2.2 Responsibilities of the Chair**

The Chair leads the Committee in all aspects of its work. The Chair is responsible for managing the affairs of the Committee and ensuring that it is properly organized and functions efficiently. More specifically, the Chair shall:

- (a) provide leadership to enable the Committee to act effectively in carrying out its duties and responsibilities as described in this Charter and as may be otherwise appropriate;
- (b) in consultation with the Chair of the Board, the Lead Director and the Global Chief Operating Officer, ensure that there is an effective working relationship between Management and the members of the Committee;
- (c) chair meetings of the Committee;
- (d) in consultation with the Chair of the Board, the Lead Director, the Global Chief Financial Officer and/or the Corporate Secretary, determine the frequency, dates and locations of meetings of the Committee;
- (e) in consultation with the Global Chief Financial Officer and the Corporate Secretary, review the annual work plan and meeting agendas in order to ensure that all required business is brought before the Committee;

- (f) in consultation with the Chair of the Board, ensure that all items requiring Committee approval are appropriately tabled;
- (g) ensure the proper flow of information to the Committee and, in consultation with the Global Chief Operating Officer, the Global Chief Financial Officer and the Corporate Secretary, review the adequacy and timing of materials in support of management proposals;
- (h) at the meeting of the Board immediately following any meeting of the Committee, report to the Board on matters reviewed by, and on any decisions or recommendations of, the Committee; and
- (i) carry out any special assignments or functions as may be requested by the Board.

### **2.3 Meetings**

The Committee shall meet at least four times a year, with authority to convene additional meetings, as circumstances require. The external auditor may also call a meeting of the Committee. All Members are expected to attend each meeting, in person or via teleconference or videoconference. The Committee shall invite members of Management, auditors or others to attend meetings and provide pertinent information, as necessary. Notice for such meetings shall be sent to Members.

The Committee shall hold private meetings with the external auditor, the Global Chief Operating Officer, the Global Chief Financial Officer, the Chief Compliance Officer as well as executive sessions before or after the Committee meetings.

Meeting agendas shall be prepared by Management, approved by the Chair following consultation with other members if necessary, and provided in advance to Members' Committee along with appropriate briefing materials. The Corporate Secretary, or any other person appointed by the Chair, shall prepare minutes of the meetings. Such minutes shall be circulated to all Members of the Committee for approval and, thereafter, shall be entered into the records of the Corporation.

The majority of Members present in person, by teleconference or by videoconference shall constitute quorum.

### **2.4 Evaluation of the Committee**

On an annual basis, the Committee shall review and evaluate, in conjunction with the Governance Committee, the adequacy of its charter, requesting Board approval for proposed changes and appropriate disclosure as may be required by law or regulation.

On an annual basis, the Committee shall evaluate its performance in conjunction with the Governance Committee.

The Committee shall provide its Members with appropriate education related to financial and risk management fields when necessary.

### **3. RESPONSIBILITIES AND DUTIES (WITH RESPECT TO THE CORPORATION)**

The Committee shall carry out the following specific responsibilities with respect to the Corporation.

#### **3.1 Financial Information**

The Committee shall review and discuss, with Management and the external auditor, the financial information to be filed with regulators, report and where appropriate, provide recommendations to the Board. Its activities include the following:

##### **3.1.1 Quarterly and Annually**

- Review the quality and integrity of the Corporation's financial reporting process.
- Review the audited annual consolidated financial statements ("financial statements") of the Corporation and consider their quality and integrity as well as their consistency with information known to Committee Members.
- Review unaudited interim quarterly financial statements of the Corporation and consider their quality and integrity as well as their consistency with the information known to Committee Members.
- Understand how Management develops interim financial information, and the nature and extent of external auditor involvement.
- Review the adequacy of accounting principles related to the preparation of the financial statements including alternative treatments under IFRS and the impact of any proposed changes to significant accounting principles and financial information disclosure. Verify that the accounting practices are in line with the industry's.
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Obtain comments from the external auditor, the Global Chief Financial Officer and the Chief Compliance Officer regarding risks potentially impacting financial information.
- Review the results of the audit, including any difficulties encountered.
- Review Management Discussion & Analysis reports ("MD&A"), quarterly press releases of significant financial information, other sections of the annual and quarterly reports and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review and discuss the Independent Auditor's report preceding the audited annual financial statements.

- After review, submit the financial statements, MD&A, and press releases to the Board for its approval.

### 3.1.2 Annually

- Review the quality and integrity of the Corporation's Annual Information Form ("AIF") reporting process.
- Review the AIF.
- After review, submit the AIF to the Board for its approval.
- Review the Policy on Corporate Disclosure and Confidentiality of Information.

### 3.2 Internal Control

The Committee shall ensure that management has designed, implemented and is applying on a consistent basis an appropriate internal control system regarding the financial reporting, safeguarding of assets and detection of fraud. The Committee shall perform the following:

- Understand and evaluate the scope of Finance Management's independent review of internal control over financial reporting ("ICFR") and DC&P for compliance to National Instrument 52-109, and review periodic status reports on significant findings and recommendations, together with management remediation plans.
- Through discussion with Management and the external auditor, review and evaluate the adequacy and effectiveness of the Corporation's internal control and management systems, including the Finance function organizational structure, the disclosure process, the project management process, as well as information technology security and cyber security.
- Understand the scope of the external auditor's review of internal control over financial reporting, obtain and discuss reports on significant findings and recommendations, together with management's responses.
- Review complaints including those obtained from the whistleblower process and related receipts, retention and processing procedures, and published information raising issues pertaining to accounting policies, financial information or financial information disclosure.
- Review periodically the Corporation's anti-fraud program and practices with Management and the external auditor.

### 3.3 Risk Management

The Committee shall ensure that Management has designed, implemented and is applying on a consistent basis appropriate risk management practices for risks that could have material impacts on the performance of the Corporation or on realisation of its objectives. For that purpose, the Committee shall:

- Develop an overall understanding and appreciation on risks to which the Corporation is or could be exposed, and how they are measured and managed.
- Ensure that Management has identified risks to which the Corporation is exposed, has assessed them by significance and has implemented mitigation and control measures.
- Recommend to the Board the Enterprise Risk Management (“**ERM**”) Policy that defines principles followed by management for identification, assessment, measurement, management, monitoring and reporting on significant risks the Corporation is exposed to.
- Periodically and at least on an annual basis, review and assess the adequacy of the Corporation’s ERM Policy and other risk management policies regarding the significant identified risks.
- Review ERM annual work plan and subsequent amendments for verifying that it addresses elements of the Corporation’s ERM and other risk management policies and covers significant risks.
- Obtain, on a quarterly basis, an update report from the Global Chief Operating Officer regarding the Corporation’s significant risk matters.
- Plan independent reviews and assessments on a periodic basis of the adequacy of policies, procedures, processes and systems implemented by management to manage and control significant risks and, ensure risk and control activities have sufficient authority and visibility.
- Review and recommend to the Board any necessary modification regarding risk management and control framework, following material changes to the corporate strategy or new business line strategies.

### **3.4 External Audit**

The external auditor is directly accountable to the Committee. Consequently, the Committee is responsible for monitoring its work and shall perform the following activities:

- Annually, review the performance and qualifications of the external auditor and the lead responsible audit partner.
- Annually, review and discuss the reports addressed to the external auditor relating to its internal quality-control procedures and any material issues raised by the most recent internal quality-control review or peer review or by any inquiry or investigation by professional authorities such as Canadian Public Accountability Board (“**CPAB**”) and Public Company Accounting Oversight Board (“**PCAOB**”). Establish protocols and expectations with the external auditor.
- Review and confirm the independence of the external auditor by obtaining statements from the external auditor on relationships between the external auditor and the Corporation, including non-audit services, and discussing the relationships with the auditor.

- Provide recommendation to the Board as to the appointment or revocation, compensation, retention and work oversight of the external auditor and any other auditor pertaining to issuing an audit report and performing all required services.
- Review the external auditor's proposed audit scope and approach (plan).
- Approve all audit mandates and non-audit services in accordance with the Corporation's policy on permitted/prohibited services to be rendered by the external auditor.
- Ensure follow-up on the external auditor communication addressed to Management.
- Review and approve the Corporation's hiring policy regarding former and current partners and employees of past and present external auditors.
- Meet in private with the external auditor on quarterly basis or as needed.

### **3.5 Compliance**

The Committee shall ensure that the Corporation manages effectively regulatory risks in conducting the following oversight activities:

- Review the effectiveness of monitoring compliance systems with laws, regulations and internal policies and review the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the independence of the Chief Compliance Officer.
- Review the Chief Compliance Officer's annual work plan and subsequent amendments for verifying that it addresses appropriate coverage of compliance and significant regulatory risks.
- Obtain, on a quarterly basis, an update report from the Chief Compliance Officer regarding the Corporation's compliance matters.
- Review the findings of any examinations by regulatory agencies, and any auditor observations. Review the action plans and responses to regulators proposed by the Management. Follow-up on implementation of action plans.
- Review the process for communicating the Compliance Manual and code of conduct to the Corporation's personnel, and for monitoring compliance therewith.

### **3.6 Other Quarterly and Annual Responsibilities**

The Committee shall carry out the following additional quarterly and annual duties and report to the Board:

- On a quarterly basis, review appropriate financial information for recommendation or not to the Board of a declaration of dividends.

- On an annual basis, review the Corporation's liability insurance coverages and assess their adequacy.
- Review the Corporation's Fiscal Strategic Plan and verify its follow-up and maintenance.