

**TORONTO WATERFRONT REVITALIZATION CORPORATION**  
**Finance, Audit and Risk Management Committee Mandate**

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The role of the Finance, Audit and Risk Management Committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) of the Toronto Waterfront Revitalization Corporation (the “**Corporation**”) in fulfilling its oversight responsibilities with respect to financial reporting, internal controls, auditors and audits, finance and risk management as set out in this Mandate.

This Mandate of the Finance, Audit and Risk Management Committee includes the Board Committee Directive, which establishes its authority, composition (in addition to (a) **Composition** below) and procedures.

(a) **Composition**

At least one member of the Committee should be a member in good standing of a recognized Canadian Accounting profession.

Each Committee member will be financially literate, meaning that he/she is a person who is able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the Corporation’s financial statements.

(b) **Financial Reporting**

The Committee will:

- (i) Review with management the Corporation’s annual and quarterly financial statements;
- (ii) Review reports from the external auditor concerning the quarterly and annual financial statements and any other matters, and management’s response to such reports, if appropriate;
- (iii) Recommend to the Board the approval of the audited annual financial statements and unaudited quarterly financial statements;
- (iv) Review any public disclosures containing audited or unaudited financial information; and
- (v) Review with the external auditors and the Board any material issues that arise with respect to the quality or integrity of the Corporation’s financial statements and the Corporation’s compliance with the legal and regulatory requirements related thereto.

(c) **Internal Controls**

The Committee will periodically review the adequacy of financial internal controls and provide reports or recommendations to the Board on such adequacy.

(d) **External Auditors**

The Committee shall:

- (i) Recommend external auditors for appointment by the Board including their compensation for all services; such external auditors shall report directly to the Committee and be independent of the Corporation;
- (ii) Review the performance of the external auditors at least annually;
- (iii) If appropriate, recommend the removal of external auditors and their replacement;
- (iv) Pre-approve all services (audit and non-audit services) to be provided by the external auditors; and
- (v) At least annually, review and approve the overall scope of the external auditors' audit plans.

(e) **Internal Auditors**

The Committee may:

- (i) Approve the appointment of an internal auditor, including their compensation; such internal auditors shall report directly to the Committee and be independent of the Corporation;
- (ii) Review and approve the overall scope of the internal auditors' annual audit plans and ensure the coordination of the internal auditor's involvement with the external auditors;
- (iii) Review reports issued by the internal auditor and management's response to these reports; and
- (iv) Review the performance of the internal auditors at least annually.

(f) **Government Audits**

The Committee will:

- (i) Review the reports issued by a government auditor and management's response to these reports;
- (ii) Meet, if necessary, with government auditors after the completion of their audits, or have the Committee Chair do so and report thereon to the Committee; and
- (iii) Monitor the coordination of government auditors' involvement with the work of the Corporation's external and internal auditors.

(g) **Finance**

The Committee will regularly review significant matters involving the financial status of the Corporation and make recommendations to the Board with respect to material financial matters affecting the Corporation, including:

- (i) The financial aspects of annual and longer term budgets and any significant variances thereon;
- (ii) The annual business plan and five-year strategic plan, periodic forecasts, long term financial plans and revisions thereto;
- (iii) The adequacy of financial resources and cash flow of the Corporation;
- (iv) The financing of various projects and development as may be requested by the Board from time to time; and
- (v) Review reports from management on various financial measures and reports requested by the Board.

(h) **Enterprise Risk Management**

The Committee will review with management significant matters involving the status of the Corporation's enterprise risk management activities and make recommendations to the Board with respect to various material risks affecting the Corporation and the adequacy of the controls in place to identify, assess, manage and mitigate such risks.

The Committee may assign risk-related tasks to other Committees of the Board.

(i) **Project Risk Management**

As outlined in the Capital Approval Process Policy, the Committee will review all projects (defined at the work package level) and recommend to the Board those projects that require monitoring by the Committee.

A project requiring monitoring may be defined as having many (if not all of) the following characteristics:

- Project or program with a budget valued in excess of \$50 million;
- High complexity and potential for many unknown risks;
- Compressed timeline/schedule;
- Self-insurance procurement model;
- Multiple stakeholders; and
- High public profile.

The Committee will provide independent monitoring with respect to project budget, scope and schedule.