

## MANDATE OF THE AUDIT COMMITTEE

### BRADMER PHARMACEUTICALS INC.

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The Audit Committee is a committee of the board of directors (the “**Board**”) of Bradmer Pharmaceuticals Inc. (the “**Corporation**”) which assists the Board in overseeing the Corporation’s financial controls and reporting. The Audit Committee also monitors whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

#### **I. COMPOSITION AND QUORUM**

The Audit Committee is composed of a minimum of three and a maximum of five members, each of whom qualifies as an independent director, as determined by the Board and in accordance with securities laws and exchange requirements; each member of the Audit Committee must be financially literate, as determined by the Board and otherwise qualified in accordance with securities laws and exchange requirements.

The quorum at any meeting of the Audit Committee is a majority of its members.

Because of the Audit Committee’s demanding role and responsibilities, the Corporate Governance and Nominating Committee reviews any invitation to Audit Committee members to join the audit committee of the board of directors of any other corporation. Where a member of the Audit Committee simultaneously serves on the audit committee of more than three public companies, including the Audit Committee, the Board determines whether such simultaneous service impairs the ability of such member to effectively serve on the Audit Committee.

#### **II. RESPONSIBILITIES**

The Audit Committee has the following responsibilities:

##### **With respect to accounting and financial reporting**

- (1) Reviewing with management and the external auditors the annual financial statements and accompanying notes, the external auditors’ report thereon and the related press release, and obtaining explanations from management on all significant variances with comparative periods, before recommending approval by the Board and the release thereof.
- (2) Reviewing with management and the external auditors the quarterly financial statements, the external auditors’ review thereof and the related press release before approval by the Audit Committee thereof and release thereof, and reporting to the Board with respect to the foregoing.
- (3) Reviewing the financial information contained in the Annual Information Form, Annual Report, Management Proxy Circular, Management’s Discussion and Analysis, prospectuses and other documents containing similar financial information before their public disclosure or filing with regulatory authorities.
- (4) Reviewing with management and the external auditors the quality and not just the acceptability of the Corporation’s accounting policies and any changes that are proposed to be made thereto, including (i) all critical accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditors’ preferred treatment, and (iii) any other material communications with management with respect thereto, and reviewing the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.
- (5) Reviewing with the external auditors any audit problems or difficulties and management’s response thereto and resolving any disagreement between management and the external auditors regarding accounting and financial reporting.
- (6) Periodically reviewing the Corporation’s Disclosure Policy to ensure that it conforms with applicable legal

and regulatory requirements.

- (7) Reviewing the Audit Committee's report for inclusion in the Corporation's Management Proxy Circular, in accordance with applicable roles and regulations.

**With respect to risk management and internal controls**

- (1) Monitoring the quality and integrity of the Corporation's internal control, disclosure controls, procedures and management information systems and regulatory certification practices, through discussions with management and the internal and external auditors.
- (2) Overseeing management's reporting on internal control, disclosure controls and procedures and regulatory certification practices.
- (3) Reviewing on a regular basis and monitoring the Corporation's risk assessment and management policies, including hedging policies through the use of financial derivative transactions.
- (4) Assisting the Board with the oversight of the Corporation's compliance with applicable legal and regulatory requirements.
- (5) Establishing procedures for the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by employees of concerns respecting accounting or auditing matters.

**With respect to the external auditors**

- (1) Reviewing the annual written statement of the external auditors regarding all their relationships with the Corporation and discussing any relationships or services that may impact on their objectivity or independence.
- (2) Approving the appointment and, if appropriate, the termination (both subject to shareholder approval) of the external auditors and monitoring their qualifications, performance and independence.
- (3) Approving and overseeing the disclosure of all audit services provided by the external auditors to the Corporation or any of its subsidiaries, determining which non-audit services the external auditors are prohibited from providing and, exceptionally, approving and overseeing the disclosure of permitted non-audit services to be performed by the external auditors.
- (4) Approving the basis and amount of the external auditors' fees for both audit and authorized non-audit services.
- (5) Reviewing the audit plan with the external auditors and management and approving the scope, extent and schedule of such audit plan.
- (6) Reviewing the Corporation's hiring policies for current and former partners or employees of the external auditors.
- (7) Ensuring the respect of legal requirements regarding the rotation of applicable partners of the external auditors, on a regular basis, as required, or of the external auditors, as required.
- (8) Ensuring that the external auditors report directly to the Audit Committee and the entire Board.
- (9) Making arrangements for sufficient funds to be available to effect payment of the fees of the external auditors and of any advisors or experts retained by the Audit Committee.

**III. METHOD OF OPERATION**

- (1) Members of the Audit Committee are appointed and removed by the Board.

- (2) Meetings of the Audit Committee are held at least quarterly and as required.
- (3) The Chair of the Audit Committee develops the agenda for each meeting of the committee in consultation with the Chief Financial Officer and the Board chair. The agenda and the appropriate material are provided to members of the Audit Committee on a timely basis prior to any meeting of the Audit Committee.
- (4) The Chair of the Audit Committee reports regularly to the Board on the business of the Audit Committee.
- (5) The Audit Committee has at all times a direct line of communication with the internal and external auditors.
- (6) The Audit Committee meets on a regular basis without management or the external auditor.
- (7) The Audit Committee meets separately with management, the internal and external auditors at least annually, and more frequently as required.
- (8) The Audit Committee may, in appropriate circumstances, engage external advisors and set and pay their compensation, subject to advising the Board chair thereof.
- (9) The Audit Committee annually reviews its mandate and reports to the Board on its adequacy.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Audit Committee.