

TERMS OF REFERENCE FOR THE CHAIRMAN OF THE AUDIT  
COMMITTEE OF  
FORTUNE MINERALS LIMITED

## **TERMS OF REFERENCE FOR THE CHAIRMAN OF THE AUDIT COMMITTEE**

### **GENERAL**

These terms of reference describe the appointment, role and responsibilities of the Chairman (the “**Chairman**”) of the Audit Committee (the “**Audit Committee**”) of the board of directors (the “**Board**”) of Fortune Minerals Limited (the “**Company**”).

These terms of reference should be read together with the written charter of the Audit Committee (the “**Charter**”), as the Charter may be amended from time to time.

### **OFFICE OF THE CHAIRMAN**

The Board shall appoint the Chairman from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chairman of the Committee from among its members).

The designation of the Committee’s Chairman shall take place annually at the first meeting of the Board after a meeting of the members at which directors are elected, provided that if the designation of Chairman is not so made, the director who is then serving as Chairman shall continue as Chairman until his or her successor is appointed.

### **RESPONSIBILITIES OF THE CHAIRMAN**

#### **Committee Leadership**

The Chairman will provide leadership to the Committee in discharging its mandate as set out in the Charter of the Audit Committee, including by:

- (a) promoting a thorough understanding by members of the Committee, management, and the Company’s external auditor of:
  - (i) the duties and responsibilities of the Committee; and
  - (ii) the relationship between the Committee and each of the Company’s
    - (1) management; and
    - (2) external auditor; and
- (b) promoting cohesiveness among members of the Committee.

#### **Liaison between the Committee and Management**

The Chairman shall be the liaison between the Committee and the Company’s management and external auditor, promoting open and constructive discussions between members of the Committee and each of these parties.

#### **Information Flow**

The Chairman shall promote the proper flow of information to the Committee to keep the

Committee fully apprised of all matters which are material to the Company at all times.

### **Meetings of the Committee**

In connection with meetings of the Committee, the Chairman shall be responsible for:

- (a) scheduling meetings of the Committee;
- (b) organizing and presenting the agenda for Committee meetings such that
  - (i) all of the responsibilities assigned to the Committee under the terms of its Charter are discharged on a timely and diligent basis; and
  - (ii) members of the Committee have input into the agendas;
- (c) monitoring the adequacy of materials provided to the Committee by management in connection with the Committee's deliberations;
- (d) ensuring that the Committee has sufficient time to review the materials provided to it and to fully discuss the business that comes before the Committee; and
- (e) presiding over meetings of the Committee.

### **Reporting to the Board**

The Chairman shall report to the Board on the activities of the Committee as contemplated in the Committee's Charter.

### **Other Responsibilities**

The Chairman shall perform such other functions:

- (i) as may be ancillary to the duties and responsibilities described above; and
- (ii) as may be delegated to the Chairman by the Committee or the Board from time to time.

