

## AUDIT COMMITTEE CHARTER

### PURPOSE

The primary purpose of the Audit Committee (the "Audit Committee") of the Board of Trustees (the "Board") of the Boyd Group Income Fund (the "Fund") is to assist the Board in fulfilling its oversight responsibilities by:

- Reviewing the integrity of the consolidated financial statements of the Fund;
- Reviewing the Fund's compliance with legal and regulatory requirements;
- Recommending to the Board the appointment of the independent auditors;
- Reviewing the performance of the Fund's independent auditors;
- Reviewing financial information contained in public filings of the Fund prior to filing;
- Reviewing earnings announcements of the Fund prior to release to the public;
- Overseeing the Fund's systems of internal financial controls and management's compliance for reporting on internal controls;
- Monitoring the Fund's auditing, accounting and financial reporting processes, including the risk of fraud and error;
- Resolving complaints regarding accounting, internal accounting controls or auditing practices; and
- Identifying, monitoring and reviewing the principal risks of the Fund's business and ensuring appropriate systems are in place to manage these risks.

### COMPOSITION

The Audit Committee shall be composed of not less than three members.

The members of the Audit Committee shall: (i) be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee; and (ii) meet the independence and experience requirements of all applicable corporate, exchange and securities act rules, instruments and regulations in Canada (the "Regulations") including, but not limited to the Toronto Stock Exchange ("TSX") and Canadian national and provincial securities rules and regulations.

All members of the Audit Committee shall be "financially literate" as such term is defined by the Regulations. Notwithstanding the foregoing, a member who is not financially literate may be appointed to the Audit Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

The members of the Audit Committee shall be appointed by the Board. Once appointed, members shall serve for a one year term unless they resign, and may be reappointed to serve consecutive terms.

The Board shall normally designate the Chair of the Audit Committee. In the event that a Board designation is not made, the members of the Audit Committee shall elect a Chair by majority vote of the full Audit Committee membership.

In the event that the Chair of the Audit Committee does not attend a meeting of the Audit Committee, the members of the Audit Committee shall elect a temporary Chair for such meeting by majority vote of the members in attendance at the meeting.

### **MEETINGS**

The Audit Committee shall meet at least quarterly, and may meet as often as it determines necessary in fulfilling its duties.

Greater than 50% of Audit Committee membership is required for meeting quorum.

Meetings of the Audit Committee shall normally be attended by the CEO and CFO of the Fund. Others may also attend meetings as the Audit Committee may request.

The Audit Committee shall meet at least annually with the independent auditor in a separate in-camera session.

The Audit Committee shall have access to any officer or employee of the Fund or the Fund's outside counsel or independent auditor. The independent auditor will have direct access to the Committee at their own initiative.

### **RESOLUTIONS**

Resolutions of the Audit Committee shall require approval by a simple majority of members voting on such resolution.

### **RESPONSIBILITIES**

The Audit Committee shall document minutes from each meeting held and such minutes shall be made available to all members of the Board. The Audit Committee will report periodically the committee's findings and recommendations to the Board.

**Independent Auditor**

With respect to the Fund's independent auditors the Audit Committee shall:

- have the sole authority to recommend to the Board the appointment or replacement of the independent auditor (subject, if applicable, to unitholder approval)
- have the independent auditor report directly to the Audit Committee
- meet with the independent auditor prior to the annual audit to discuss the planning, scope and staffing of the audit
- be directly responsible for establishing the compensation of the independent auditor, subject to applicable board and unitholder approval
- ensure the periodic rotation of the audit partner having primary responsibility for the audit and the engagement quality control partner as required by independence standards
- at least on an annual basis, evaluate the qualifications, performance and independence of the independent auditor and the audit partner having primary responsibility for the audit, including considering whether the auditor's quality controls are adequate
- obtain and review a report from the independent auditor at least annually regarding: (i) the independent auditors' internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or raised by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with any issues, and (iv) all relationships between the independent auditor and the Fund
- review and approve the Fund's hiring policies regarding partners, employees, or contractors of the independent auditor
- pre-approve all auditing services and permitted non-audit services (including fees and terms thereof) to be performed for the Fund or its subsidiaries by its independent auditor
- oversee the work of the independent auditor, including the resolution of disagreements between management and the independent auditor regarding financial reporting

## Financial Reporting

With respect to the Fund's reporting of unaudited quarterly financial results, the Audit Committee shall:

- Prior to their public release and filing with securities regulatory agencies, review and discuss with management the:
  - press release
  - consolidated financial statements and notes thereto
  - management's discussion and analysis

The Audit Committee must be satisfied that adequate procedures are in place for the review of the Fund's public disclosure of financial information extracted or derived from the Fund's financial statements and shall periodically assess the adequacy of such procedures

- The review of the Fund's unaudited quarterly financial results shall include, but not be limited to:
  - any significant judgments made in the preparation of financial statements
  - the extent to which changes or improvements in financial or accounting practices have been implemented
  - significant financial reporting issues identified in connection with the preparation of the Fund's financial statements, including any significant changes in the Fund's selection or application of accounting principles, any major issues as to the adequacy of the Fund's internal controls and any special steps adopted in light of material control deficiencies
  - the Fund's use of non-GAAP information
  - the Fund's use of forward-looking financial guidance
  - critical accounting policies and practices
  - the effect of regulatory and accounting initiatives
  - off-balance sheet structures on the Fund's financial statements
  - management certifications of reports filed by the Fund pursuant to the Regulations
  - integrity of the Fund's financial reporting processes
  - any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Fund's financial statements or accounting policies
- Recommend to the Board whether the unaudited financial results should be approved by the Board

## **Annual Audit**

With respect to the Fund's annual audit, the Audit Committee shall:

- Prior to their public release and filing with securities regulatory agencies, review and discuss with management and the independent auditor the:
  - consolidated financial statements and notes thereto
  - press release
  - management's discussion and analysis
  - results of the audit performed by the independent auditor
  
- The review of the Fund's audited financial results shall include, but not be limited to:
  - all matters described above with respect to unaudited quarterly financial results
  - results of the audit performed by the independent auditor
  - any significant disagreements among management and the independent auditors in connection with the preparation of financial statements
  - matters required to be discussed by Canadian Auditing Standard 260, Communication with Those Charged with Governance, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management
  - any written communications between the independent auditors and management (e.g., management letters, schedule of unadjusted differences)
  
- Recommend to the Board whether the audited financial results should be approved by the Board

## **Regulatory Filings**

Except for the Compensation Discussion & Analysis which is reviewed and recommended to the Board for approval by the Compensation Committee, the Audit Committee shall review and recommend to the Board the approval of all documents filed with securities regulatory agencies including, but not limited to:

- The Annual Report
- The Annual Information Form
- Management Proxy Circulars
- Prospectuses

### **Accounting, Internal Accounting Controls or Auditing Practice Complaints**

The Audit Committee shall have procedures for the receipt, retention and treatment of confidential or anonymous complaints received by the Fund regarding accounting, internal accounting controls or auditing practice matters.

### **Fraud**

The Audit Committee shall inquire of management on a periodic basis whether there has been any incident of fraud or any changes to internal controls specifically designed to prevent or detect fraud.

### **Legal Matters**

The Audit Committee shall review with management, and if necessary, the Fund's counsel, any legal matter which could reasonably be expected to have a material impact on the Fund's financial statements or accounting policies.

### **Risk Management**

The Audit Committee shall discuss with management the Fund's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Fund's risk assessment processes and risk management policies.

### **Internal Controls**

The Audit Committee shall review and assess the Fund's system of internal controls, control culture, and risk assessment and control activities and shall ensure that management has designed and implemented an appropriate internal control system.

### **Corporate Knowledge**

The Audit Committee shall strive to expand continually its knowledge of the Fund's activities.

### **Review of Charter**

The Audit Committee shall review and reassess the adequacy of this Charter annually.

### **Self Assessment**

The Audit Committee shall annually review the Audit Committee's own performance.

## **Other**

The Audit Committee shall undertake any other activities consistent with this Charter, the Fund's by-laws and governing law, that the Audit Committee or the Board deem necessary or appropriate.

## **APPROVAL OF CHARTER**

This Audit Committee charter requires approval by the Board.

Future changes to this charter require approval by the Board based on the recommendation of the Audit Committee.

## **OTHER ADVISORS**

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors including consulting with the national office of the independent auditor. The Fund shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

## **LIMITATION**

While the Audit Committee has the responsibilities and power set forth in this Charter, it is the responsibility of management and the independent auditor - not the Audit Committee - to plan or conduct audits or to determine that the Fund's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.