



MANDATE OF THE AUDIT COMMITTEE

1. PURPOSE

The primary function of the Audit Committee (the “Committee”) is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing: the financial information that will be provided to the shareholders and others; the systems of internal controls which management and the Board of Directors have established; and the Corporation’s and its subsidiaries’ audit and financial reporting process. The independent accountants’ ultimate responsibility is to the Board of Directors and the Audit Committee, as representatives of the shareholders.

These representatives have the ultimate authority to evaluate and, where appropriate, recommend replacement of the external auditors. The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section 5 of this Mandate. The Audit Committee will, at all times, be given full access to the Corporation’s management and records and to the external auditors as necessary to carry out these responsibilities.

2. INTERPRETATION

“**Board of Directors**” or “**Board**” means the Board of Directors of the Corporation.

“**Chairman**” means the Chairman of the Committee.

“**Committee**” means the Audit Committee of the Corporation.

“**Committees**” means the Audit Committee of the Corporation and the Corporate Governance Committee.

“**Corporation**” means collectively, Immunovaccine Inc. and its subsidiary, Immunovaccine Technologies Inc.

“**Financially Literate**” means the ability 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 the breadth and complexity of the issues that can reasonably be expected to be raised by the consolidated financial statements of the Corporation.

“**Independent Director**” means a director who has no direct or indirect relationship with the Corporation, which could be reasonably expected to interfere with the exercise of an independent judgment regarding the best interests of the Corporation. Save exceptions, is not an Independent Director the person who:

- (a) is or has been within the last three years, an employee or executive officer of the Corporation;
- (a) is a member of the immediate family of an individual who is or has been, within the last three years, an executive officer of the Corporation;

- (b) is or has been (or whose immediate family member is or has been), within the last three years, an executive officer, a partner or an employee of a material service provider of the Corporation (including the external auditors);
- (c) is or has been (or whose immediate family member is or has been), within the last three years, an executive officer of an entity if any of the current executive officers of the Corporation serves or served at the same time on the entity's Compensation and Corporate Governance Committee;
- (d) has a relationship with the Corporation under which he or she may directly or indirectly accept any consulting, advisory or other fees from the Corporation, except for any compensation as a member of the Board of Directors or as a member of a committee of the Board of Directors of the Corporation;
- (e) received (or whose immediate family member received) more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years;
- (f) is a natural person who controls the Corporation;
- (g) is an affiliate of the Corporation; or
- (h) is a natural person who is both a director and an employee of the Corporation.

3. COMPOSITION OF COMMITTEE AND COMMITTEE MEETINGS

- 3.1 The Committee shall be comprised of at least three Directors, of which the majority of the Directors are Independent Directors. All members of the Committee shall be Financially Literate.
- 3.2 The Committee will meet on a quarterly basis and will hold special meetings as circumstances require. The timing of the meetings shall be determined by the Audit Committee. At all Committee meetings a majority of the members shall constitute a quorum. The Board shall appoint the Chairman. If the Chairman is not present at a Committee meeting, the members present shall choose one of their number to act as Chairman for the purposes of this specific meeting.
- 3.3 Notice of each meeting shall be given to each Committee member and may but not required to the other directors and to the Corporation's senior management. Unless they are expressly called to the meeting, the latter only receive the notice for information purposes.
- 3.4 The Committee may invite the persons it considers useful to invite, including the Corporation's senior management, to attend the meetings and participate in the discussions concerning the Committee's business.
- 3.5 The Committee members, whenever possible, shall take all necessary steps to attend Committee meetings and to prepare themselves with respect to the matters and documents to be discussed thereat.
- 3.6 The Committee will receive meeting agendas in advance, along with appropriate briefing material.
- 3.7 The Committee shall appoint a secretary. The secretary shall attend the meetings, during which he or she shall take minutes. The minutes shall be made available to the directors for consultation and are approved by the Board before being included in the Corporation's registers or records.

- 3.8 The Committee shall submit periodically a report to the Board on its activities, including the nature of its deliberations and the related recommendations.
- 3.9 The Committee, in the performance of its duties, may consult any relevant register or record of the Corporation.
- 3.10 The Committee members shall receive, in this capacity, the compensation that the Board establishes from time to time.

4. COMMITTEE AUTHORITY AND RELATIONSHIP WITH EXTERNAL AUDITORS

- 4.1 The external auditor shall report directly to the Committee.
- 4.2 The Committee reports to the Board of Directors and has the authority:
- a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - b) to set and pay the compensation for any advisors employed by the audit committee;
 - c) resolve any disagreements between the Corporation's senior management team and the external auditors regarding financial reporting;
 - d) pre-approve all auditing and non-audit services;
 - e) seek any information it requires from the Corporation's employees, all of whom are directed to cooperate with the Committee's requests, or external parties; and
 - f) to communicate directly with the Corporation's senior management team, external auditors, and outside counsel, as necessary.

5. RESPONSIBILITIES AND DUTIES

- 5.1 To fulfill its responsibilities and duties, the Committee shall:

Financial Statements

- a) review the accounting principles, policies and practices followed by the Corporation and its subsidiaries in accounting for and reporting its financial results of operations;
- b) review the Corporation's audited annual consolidated financial statements and the unaudited quarterly financial statements, including complex or unusual transactions and highly judgmental areas, and recommend to the Board for approval prior to publicly disclosing this information. Also review and recommend to the Board for approval any accompanying related documents such as the Annual Information Form or equivalent filings and the Management's Discussion and Analysis prior to publicly disclosing this information;
- c) review the annual and interim draft press releases quarterly and recommend to the Board for approval prior to publicly disclosing this information;
- d) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures;

Internal Control

- e) consider the effectiveness of the Corporation's internal control system, including information technology security and control;
- f) understand the scope of external auditors' review of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with management's response;
- g) review the financial risk management policies followed by the Corporation in operating its business activities and the completeness and fairness of any disclosure thereof. Review the use of derivative financial instruments by the Corporation;
- h) review and approve any management decision relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, approve the supplier of such service;
- i) establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

External Audit

- j) recommend to the Board of Directors the selection of the external auditors in connection with preparing or issuing an auditor's report or with performing other audit, review or attesting services for the Corporation;
- k) recommend to the Board of Directors the compensation of the external auditors;
- l) oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;

obtain, on an annual, basis, a formal written statement from the external auditors delineating the relationship between the audit firm and the Corporation, and review and discuss with the external auditors such relationship to determine the "independence" of the auditors;
- m) discuss with the external auditors their views about the quality of the implementation of International Financial Reporting Standards, with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles. Meet in private with appropriate members of management and separately with the external auditors on a regular basis to share perceptions on these with the external auditors their views on the adequacy of the Corporation's financial personnel;
- n) review and provide direction regarding the scope of the annual audit, the audit plan, the access granted to the Corporation's records and the co-operation of management in any audit and review function;

- o) review the effectiveness of the independent audit effort, including approval of the fees charged in connection with, the annual audit, any quarterly reviews and any non-audit services being provided;
- p) assess the effectiveness of the working relationship of the external auditors with management;
- q) the Committee will determine the nature of non-audit services the external auditors are prohibited from providing to the Corporation. The Committee will pre-approve all non-audit services provided by the external auditors to the Corporation;

Reporting Responsibility

- r) review annually the mandate of the Committee for adequacy and recommend any changes to the Board;
- s) report to the Board on the major items covered at each Committee meeting and make recommendations to the Board and management concerning these matters. Annually report to the Board on the effectiveness of the Committee;
- t) perform any other activities consistent with this Mandate, the Corporation's Bylaws and governing law as the Committee or the Board deems necessary or appropriate;

Compliance

- u) review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up, including disciplinary action, of any instances of noncompliance;
- v) review the findings of any examinations by regulatory agencies and any auditor observations;
- w) review the process for communicating the code of conduct to the Corporation's employees and for monitoring compliance therewith; and
- x) obtain regular updates from management and Corporation's legal counsel regarding compliance matters.

Adopted by the Board on April 6, 2010 and amended on March 10, 2016