

1. PURPOSE

1.1 The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Hamilton Thorne Ltd. (the "Corporation") is established by the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and the audits of the financial statements of the Corporation.

2. COMPOSITION

2.1 The Committee will be composed of a minimum of three (3) members.

2.2 Every member of the Committee must be a director of the Corporation.

2.3 The members of the Committee shall meet the independence requirements of the TSX Venture Exchange and provincial securities regulators and shall be financially literate.

2.4 The Board shall designate one member of the Committee to serve as Chair.

3. RESPONSIBILITIES

3.1 The Corporation will require its external auditor to report directly to the Committee.

3.2 The Committee will recommend to the Board:

- a. the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
- b. the compensation of the external auditor.

3.3 The Committee will be directly responsible for overseeing the work of the external auditor 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 auditor regarding financial reporting.

3.4 The Committee will pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

3.5 The Committee will review and provide recommendations to the Board for approval of the following:

- a. the interim unaudited and annual audited consolidated financial statements;
- b. the interim and annual MD&A;
- c. the financial information contained in the interim and annual news releases of financial results and reports to shareholders;
- d. the proposed audit plan for the annual audited consolidated financial statements of the Corporation; and
- e. the financial statements and other financial information contained in any prospectus or other securities offering document and any other public disclosure document of the Corporation.

3.6 The Committee will 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, other than the public disclosure referred to in Section 3.5, and will periodically assess the adequacy of those procedure.

3.7 The Committee will establish procedures for:

- a. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- b. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3.8 The Committee will review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

3.9 The Committee will review and approve any earnings guidance and any news release containing financial information based on the Corporation's financial statements prior to their release.

4. AUTHORITY

4.1 The Committee 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 Committee; and
- c. to communicate directly with the internal accounting staff and external auditors.

5. MEETINGS

5.1 The Committee will meet at least four times per year, and additionally as necessary.

5.2 With the approval of all Committee members, a meeting of the Committee may be conducted with any or all members of the Committee present by telephone conference call.

5.3 A quorum for a meeting of the Committee will be a majority of the members, present either in person or by telephone conference call.

5.4 Resolutions of the Committee will be carried by a majority of the votes cast by the members of the Committee at the meeting, present either in person or by telephone.

5.5 All members of the Board are free to attend and participate in any meetings of the Committee, but only members of the Committee are entitled to vote.

5.6 The Committee may invite such officers and employees of the Corporation to attend such meetings as the Committee sees fit.

5.7 The Committee shall meet regularly alone and also in private sessions with the external auditors, internal audit personnel and Senior Management of the Corporation to facilitate full communication.

6. ASSESSMENT OF THE COMMITTEE AND CHARTER REVIEW

6.1 The Committee and the Board shall annually assess the effectiveness of the Committee with a view to ensuring that the performance of the Committee accords with best practices.

6.2 The Committee and the Board shall annually review and update this Charter as required.

7. REMUNERATION

7.1 The members of the Committee will be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.