

**FANSUNITE ENTERTAINMENT INC.**  
**AUDIT COMMITTEE CHARTER**

**I. PURPOSE**

The Audit Committee Charter (the “**Charter**”) outlines the duties and responsibilities of the Audit Committee (the “**Committee**”) is, subject to applicable laws and the Company’s constating documents, to:

- (a) assist the board of directors (the “**Board of Directors**” or “**Board**”) of FansUnit Entertainment Inc. (the “**Company**”) in fulfilling its oversight responsibilities by reviewing and reporting on the financial information which will be provided to shareholders and others, the system of corporate internal controls which management and the Board have established, and the audit process;
- (b) identifying the principal risks of the Company and its subsidiaries and ensuring the implementation of appropriate systems to monitor those risks;
- (c) reviewing accounting principles, capital budgeting and major transactions (acquisitions, divestitures and funding);
- (d) increasing the credibility and objectivity of financial reports;
- (e) facilitating better communication between directors of the Company (the “**Directors**”), financial and senior management and the external auditor;
- (f) ensuring the external auditor’s independence and appraise their performance; and
- (g) reviewing compliance with applicable legal and regulatory requirements.

**II. COMPOSITION AND TERM OF OFFICE**

- A. Members of the Committee are appointed for a one (1) year term at the first meeting of the Board following the annual meeting of shareholders of the Company. Members of the Committee may be removed from office or replaced at any time by the Board. Any member shall cease to be a member upon ceasing to be a Director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- B. The Committee shall consist of at least three (3) Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be “independent” (as such term is used in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”)) unless the Board determines that the exemption contained in NI 52 110 is available and determines to rely thereon.
- C. All of the members of the Committee must be “financially literate” (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52-110.
- D. The Chair of the Committee shall be appointed by the Board of Directors. In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.

- E. The Chief Financial Officer (“CFO”) will act as the management liaison for the Committee.
- F. The Committee will meet not less than four (4) times per year.
- G. The quorum for the Committee is a majority of members.

### **III. FINANCIAL REPORTING**

The Committee will have the following duties and responsibilities:

- A. Review and recommend to the Board the annual financial reports (annual information form, management information circular, NI 52-110F1, financial statements, managements’ discussion & analysis (“MD&A”), reports to shareholders and press releases) for approval.
- B. Review and recommend to the Board the quarterly financial reports (financial statements, MD&A, reports to shareholders and press releases) for approval.
- C. Be satisfied that for all other public disclosures or information that is extracted or derived from the financial statements, that management has procedures in place to review such information, and periodically assess the adequacy of such procedures.
- D. Review and approve any other press releases that relate to material financial disclosures.
- E. Review and recommend any changes to accounting policies to the Board.
- F. Review with the auditors any areas of judgment or where estimates have been made, including effects of alternatives under generally accepted accounting principles.

### **IV. OTHER REVIEW PROCEDURES**

The Committee will have the following duties and responsibilities:

- A. Review with management the opportunities and risks inherent in the business and the effectiveness of the controls thereon, including risk mitigation and management strategies.
- B. Oversee management reporting on and review of adequacy of internal controls (while it is management’s responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so).
- C. Gain reasonable assurance that the Company complies with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure.
- D. Review material transactions (acquisitions, divestitures and funding).
- E. Review policies and compliance with same that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Committee in a timely fashion.
- F. Approve annually the reasonableness of the expenses of the Executive Chairman, President, CEO and CFO.

## **V. EXTERNAL AUDITORS**

The Committee will recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, control and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.

The external auditor reports directly to the Committee with unrestricted access and will meet at least quarterly with the Committee. Matters discussed will include the annual audit, quarterly reviews, the quality of the Company's accounting policies and principles, and the adequacy and effectiveness of the Company's internal control and management information systems. In-camera sessions with the external auditors will be held quarterly or as determined by the Committee. In addition, the Committee will have the following duties and responsibilities:

- A. Provide approval and recommend to the Board the external auditor's remuneration, or their discharge.
- B. Provide oversight to the audit engagement by way of a direct reporting relationship with the external auditor and ensure their independence.
- C. Evaluate the audit services provided by the external auditor.
- D. Review external audit plans for the year.
- E. Review with the external auditors any difficulties which arose during the course of their engagement, any restrictions on the scope of activities or access to requested information, and any disagreements with management regarding financial reporting.
- F. Obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- G. Review, at least annually, the relationship between the Company and the external auditor in order to establish the independence of the external auditor.
- H. Pre-approve all audit and non-audit services to be provided by the external auditor (which may be delegated to one or more members of the Committee for ratification at the next scheduled Audit Committee meeting).
- I. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

## **VI. OTHER**

The Committee will have the following duties and responsibilities:

- A. Establish and review procedures for receipt, retention and treatment of complaints and concerns regarding accounting matters, internal accounting controls and auditing matters or related questionable practices, including confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters. Refer to Whistleblower Policy of the Company.
- B. Ensure for each meeting that minutes are recorded, drafted and circulated on a timely basis to members of the Committee.

- C. Prior to renewals, review Director & Officer Liability insurance and other corporate insurance coverage.

**VII. AUTHORITY OF THE AUDIT COMMITTEE**

- A. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities. The Committee shall set the compensation and oversee the work of any advisors employed by the Committee.
- B. The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Company. The Committee will also have the authority to investigate any financial activity of the Company. All employees of the Company are to cooperate as requested by the Committee.

**VIII. REVIEW OF CHARTER, AMENDMENT AND WAIVER**

The Committee shall review this Charter annually and adopt any changes deemed appropriate, subject to approval by the Board.

Last approved by the Board of Directors: September 23, 2022.