

**MPX BIOCEUTICAL CORPORATION**  
**AUDIT COMMITTEE CHARTER**

**1. General**

The board of directors (the “**Board**”) of MPX Bioceutical Corporation (the “**Corporation**”) has established the audit committee (the “**Committee**”) to assist in fulfilling the Board’s responsibility for oversight of the financial reporting process. The Committee is a key component in fulfilling the Corporation’s commitment to maintaining a higher standard of corporate responsibility.

The Committee will review the Corporation’s financial reports and its process, internal control systems, the management of financial risks, the external audit and assurance process, and the Corporation’s compliance with legal and regulatory requirements and the Corporation’s own code of business conduct and ethics.

**2. Organization**

2.1 *Membership*

The Committee will be comprised of a minimum of three members to be nominated and appointed annually by the Board, all of whom are to be independent directors as defined in section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), unless exempted under applicable laws and regulations. A member continues in his/her capacity until a successor is appointed or if the member resigns, is removed, or ceases to be a director of the Corporation.

Members of the Committee must, in the opinion of the Board, be financially literate and at a minimum be capable of reading and understanding all financial information and understand their respective implications over the short and long term.

2.2 *Removal*

Any member of the Committee may be removed and replaced at any time by the Board. The Board will fill vacancies for the Committee by appointment from among qualified members of the Board or the recommendation of the Committee.

2.3 *Committee Chair and Secretary*

The Board shall nominate and appoint/reappoint the Chair of the Committee annually. The Chair of the Committee must be an independent director of the Corporation as defined in section 1.4 of NI 52-110.

The role of Secretary can be filled by the Corporate Secretary or any other person as may be appointed by the Chair of the Committee.

## 2.4 *Meetings*

A quorum for any meeting of the Audit Committee will be two (2) members in attendance. The Committee shall meet quarterly at a minimum and may invite any outside director or member of senior management to attend a meeting as an observer or answer questions that the Committee may have. The proceedings will be minuted.

## 3. **Authority**

The Board has authorized the Committee, within the parameters of its responsibilities, to seek any required information from any employee or external party, including obtaining outside legal or other professional counsel. The Committee is authorized to set and pay the compensation to those parties. The Committee shall recommend to the Board (i) 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 (ii) the compensation of the external auditor.

## 4. **Duties and Responsibilities**

### 4.1 *Financial Reporting*

- (a) Audited Annual Financial Statements: The Committee shall review the audited annual and interim financial statements, all related management discussion and analysis (“**MD&A**”), and earnings press releases for submission to the Board for approval and public disclosure.
- (b) Quarterly Review: The Committee shall review the unaudited quarterly financial statements, the related MD&A, and earnings press releases for submission to the Board for approval and public disclosure.
- (c) Significant Accounting Principles and Disclosure Issues: The Committee shall review with management and the external auditor, significant accounting principles and disclosure issues, including complex or unusual transactions, highly judgmental areas such as reserves or estimates, significant changes to accounting principles, and alternative treatments under International Financial Reporting Standards (“**IFRS**”) for material transactions. This shall be undertaken with a view to understanding their impact on the financial statements, and to gaining reasonable assurance that the statements are accurate, complete, do not contain any misrepresentations, and present fairly the Corporation's financial position and the results of its operations in accordance with IFRS.
- (d) Compliance: The Committee shall ensure that all of the Corporation's financial reporting conforms to, and meets or exceeds, the requirements of IFRS and all applicable laws and regulations.
- (e) Legal Events: In the event of any actual or anticipated litigation or other events, including tax assessments, the Committee shall examine what material effect the event may have on the Corporation's current or future financial statements and the manner in which these details have been disclosed in the financial statements.
- (f) Off-Balance Sheet Transactions: The Committee shall review any off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons, and examine how that may have a material current or future effect on the Corporation's financial position.

- (g) Procedural Review: The Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information and periodically assess the adequacy of those procedures.

#### 4.2 *Internal Controls*

- (a) Review and Assessment: The Committee shall periodically review the effectiveness of the Corporation's system of internal control and management information systems through discussions with management and the external auditor. Based on that review the Committee will advise the Board of the adequacy of these controls and make recommendations for alterations to these controls when deemed necessary.
- (b) Fraud: The Committee shall oversee any investigations of alleged fraud and illegality relating to the Corporation's finances.
- (c) Complaints: The Committee shall ensure appropriate systems are in place for the receipt, retention, and treatment of internal and external complaints in an anonymous and confidential manner by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- (d) Hiring from the Auditor: The Committee shall review and approve the Corporation's hiring policies regarding current or former partners and employees of the current or former external auditor.

#### 4.3 *External Audit*

- (a) Auditor Reporting: The Committee shall be directly responsible for overseeing the work of the external auditor.
- (b) Auditor Performance: The Committee shall review the terms of the external auditor's engagement, accountability, experience, qualifications, independence, and overall performance.
- (c) Auditor Appointment or Replacement: The Board shall appoint or replace the auditor and set its compensation based on the Committee's evaluation and conclusions of the auditor's performance and adequacy.
- (d) Audit Plan: The Committee shall review the audit plan and scope of the external audit with the external auditor and management, and consider whether the nature and scope of the planned audit procedures can be relied upon to detect weaknesses in internal controls, frauds or other illegal acts. The Committee shall make adjustments as needed.
- (e) Audit Results: The Committee shall review, in the absence of management, the results of the annual external audit, the audit report thereon and the auditor's review of the related MD&A, and discuss with the external auditor the quality (not just the acceptability) of accounting principles used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the auditor's preferred treatment, and any other material communications with management.

- (f) Actions to be Taken: The Committee shall ensure that significant findings and recommendations by the external auditors are received and discussed on a timely basis. The Committee shall ensure that management responds to these findings and recommendations.
- (g) Disparity and Disagreements: The Committee shall ensure the resolution of any disagreements between management and the external auditor or incongruity between expectations and results regarding financial reporting.
- (h) Interim Financial Statements: The Committee may engage the external auditor to review all interim financial statements. The Committee shall review the results of the auditor's review of the interim financial statements and MD&A.
- (i) Meeting with External Auditor: The Committee shall meet with the external auditor in the absence of management at least annually to discuss and review specific issues as appropriate as well as any significant matters that the auditor may wish to bring to the Committee for its consideration.
- (j) Correspondence Review: The Committee shall review with management and the external auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
- (k) Non-Audit/Audit Services: The Committee must pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditor, with reference to compatibility of the service with the external auditor's independence as prescribed by OSC regulations.
- (l) Other Audit Matters: The Committee shall review any other matters related to the external audit that are to be communicated to the Committee under generally accepted auditing standards.

#### 4.4 *Risk Management*

The Committee shall undertake an annual review the Corporation's risk management policies and procedures. The Committee oversees the implementation of these systems and determines their adequacy in mitigating and managing risks.

#### 4.5 *Reporting Responsibilities*

- (a) Adequacy of Charter: The Committee shall assess the continued adequacy of the Committee Charter annually and submit such amendments as the Committee sees fit to the Nominating and Corporate Governance Committee.
- (b) Disclosure: The Committee shall oversee appropriate disclosure of the Committee's Charter, and other information required to be disclosed by applicable legislation, in the Corporation's Annual Information Form and all other applicable disclosure documents.

- (c) Reporting to the Board: The Committee shall report regularly to the Board on Committee activities, findings and recommendations. The Committee is responsible for ensuring that the Board is aware of, and understands, any matter that may have a significant impact on the financial condition or affairs of the Corporation. The Committee shall submit its recommendations with respect to any such matter to the Board.