



AUDIT AND RISK COMMITTEE CHAIR

TERMS OF REFERENCE

The following sets forth the terms of reference of the chairperson ("**Chair**") of the Audit and Risk Committee (the "**Committee**") of the board of directors (the "**Board**") of Sinopec Canada and its Canadian affiliates (Sinopec Canada Energy Ltd., Sinopec Daylight Energy Ltd., SinoCanada Petroleum Corporation and 1527203 Alberta Ltd.) (collectively, "**Sinopec Canada**" or the "**Company**") :

I. INTRODUCTION

1. The Chair is appointed by and reports to the Board.
2. The Chair's primary role is managing the affairs of the Committee, including ensuring the Committee is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Committee.
3. The Chair works with the Chief Financial Officer ("**CFO**") of the Company to ensure an effective working relationship with Committee members.
4. The Chair maintains on-going communications with the CFO and with such other officers and employees of the Company as the Chair determines appropriate.
5. The Chair, in conjunction with the Committee, maintains ongoing communications with the external auditors of the Company.

II. DUTIES AND RESPONSIBILITIES

1. Working with the Company and Sinopec Canada's external auditors, the Chair has the responsibility to:
 - a) lead the Committee in overseeing the work of Sinopec Canada's financial management team and Sinopec Canada's external auditors;
 - b) lead the Committee in overseeing the integrity of Sinopec Canada's financial statements and financial reporting process, including the audit process and review and approval of changes to accounting policies, and Sinopec Canada's internal accounting controls and procedures and compliance with related legal and regulatory requirements; and
 - c) report to the Board after each Committee meeting at the Board's next meeting.
2. Working with the Company and Sinopec Canada's external auditors, the Chair has the responsibility to:
 - a) lead the Committee in overseeing the work of Sinopec Canada's Enterprise Risk Management program; and

- b) ensure there is adequate reporting to the Board pursuant to the Company's Enterprise Management Policy.

III. MANAGING THE COMMITTEE

1. The Chair has the responsibility to:

- a) chair Committee meetings;
- b) ensure the proper co-ordination of the agenda, information packages and related events for Committee meetings in conjunction with the CFO;
- c) maintain a liaison and communication with Committee members, other directors and the Board Chairman to coordinate input from Committee members and directors, and optimize the effectiveness of the Committee;
- d) (i) assist the Committee in understanding its obligations to the Board and pursuant to law; and

(ii) ensure the Committee is properly discharging its duties and responsibilities as they relate to any governmental or legal requirements, including but not limited to any audit committee or financial related matters for which undertakings have been given to the Minister responsible under the *Investment Canada Act*; and
- e) in collaboration with the CFO, ensure information requested by Committee members is provided and meets their needs.