

APPENDIX B

**The Charter of the Audit Committee
of the Board of Directors
of Hammond Manufacturing Company Limited**

1. The Audit Committee (the “**Committee**”) shall consist of a minimum of three directors who are independent of the Corporation and of any shareholder holding a sufficient number of shares to exert influence on the Board of Directors. The Committee is currently comprised of Edward Sehl (Chairman of the Committee), Michael Fricker, Paul Quigley and William Wiener.
2. All members of the Committee are considered by the Board of Directors to be “financially literate” within the meaning ascribed from the Multilateral Instrument 52-110 (Audit Committees). The following is a table of the relevant education and experience of each member of the Committee as at December 31, 2017:

Audit Committee Member	Relevant Education and Experience
Edward Sehl	A graduate of the Chartered Director's program at McMaster's DeGroote School of Business, graduate of Wilfrid Laurier University with an Honours B.B.A and a M.B.A from York University, Toronto. A chartered accountant with over 30 years of experience in financial positions. Principal - Sehl Consulting and Director of Guelph General Hospital.
Michael Fricker	A CPA (CA) and CFA charter holder with over 25 years of experience in financial positions. Michael has a BA in Economics from Queen's University, and a diploma in accounting from Wilfred Laurier. Michael is currently Chief Financial Officer for Bento Inc. and serves on the Board of Directors of the Tippet Foundation
Paul Quigley	Over 30 years in senior business management positions. Paul is currently President and General Manager for Cut Above Natural Stone, and is currently involved in several roles including President of Quigley Group Inc., / Process Architect for Just Fix It Inc. and Director / Consultant at Stinson Equipment Ltd.
William Wiener	Bill Wiener is a Professional Engineer. He graduated in Engineering at the University of Toronto in 1977, from the Department of Engineering Science, Electrical Option. He has worked in the family business, Viscor Inc. since his graduation and is now the CEO and principal owner of the company. Viscor Inc. is a manufacturer of commercial and industrial lighting products and is the largest and most modern lighting manufacturer in Canada.

3. The mandate of the Audit Committee consists of the following objectives:
 - (a) The Committee will review the financial statements and related disclosures; including reports to shareholders, MD&A, Annual Information Form, Management Information Circular, annual and interim earnings press releases, and other related communications and make recommendations to the Board of Directors for their release.
 - (b) The Committee will periodically assess the adequacy of procedures in place related to the review of public disclosure of information derived from the financial statements, other than the public disclosure described in (a) above.
 - (c) The Committee shall review the process relating to and the certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company's quarterly and annual consolidated financial statements
 - (d) The Committee will recommend to the Board of Directors the external independent auditor to be nominated to perform the annual audit and issue an auditor's report.
 - (e) The Committee will review the external auditor's audit process, including the scope, fees and timing of the audit and recommend to the Board of Directors the compensation of the external auditor.
 - (f) The Committee will provide oversight to the audit process and facilitate resolution of disagreements that may arise between management and the external auditor regarding financial reporting. In addition, the Committee will monitor the independence of the external auditor.
 - (g) The Committee will review and discuss with management and the external auditors the adequacy of the Company's internal controls and financial reporting controls
 - (h) The Committee will review and discuss with management and the external auditors the accounting policies which may be viewed as critical, and review and discuss any significant changes in the accounting policies of the Company that may have a significant impact on the Company's financial reports.
 - (i) The Committee will review and provide approval for non-audit services to be provided by the external auditor.
 - (j) The Committee will ensure that a procedure is in place for the receipt, retention and treatment of complaints received by the Corporation regarding fraud or illegal acts, and provide a system for the confidential and anonymous submission by employees of the Corporation of issues and concerns related to questionable accounting or auditing matters.
4. The Committee shall convene meetings as deemed necessary to fulfill the objectives of its mandate. Generally four times per year.
5. Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.

6. The Committee will hold meetings in private with the external auditor as deemed necessary to fulfill the objectives of its mandate.
7. A copy of the minutes of each meeting of the Committee shall be provided to all Directors of the Corporation in a timely fashion.
8. The Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibilities with full access to all books, records, facilities, and personnel and shall have the authority to retain outside counsel, experts and other advisors as it determines appropriate to assist it in the conduct of any investigation.
9. The Committee will 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.
10. The Committee will review financial and accounting personnel succession planning within the company.
11. Establish and monitor the Company's Whistleblower policy.
12. Review and approve periodically management's risk management program and policies.
13. Annually review the adequacy of the insurance coverage for directors, officers, Board committee chairs and committee members.
14. The Committee will review and update this Charter on a periodic basis for approval by the Board of Directors.