

CORBY SPIRIT AND WINE LIMITED
(the “Corporation”)

AUDIT COMMITTEE CHARTER

The Audit Committee of the Corporation reviews and approves this written charter setting out its mandate and responsibilities.

Establishment of Committee

A committee of the directors to be known as the “Audit Committee” (hereinafter the “Committee”) is hereby established.

Composition of Committee

- The Committee shall be appointed by the Board of Directors of the Corporation (the “Board”) from amongst the non-executive directors of the Corporation and shall consist of not less than three members. A quorum shall be two members.
- The members of the Committee shall be independent of the management of the Corporation.
- Each member of the Committee shall be financially literate, or must become financially literate within a reasonable period of time after appointment to the Committee.
- The chair of the Committee shall be appointed by the Board.

Attendance at Meetings

- The Chief Executive Officer, Chief Financial Officer, Director/Manager of Internal Audit, and a representative of the external auditors shall normally attend meetings. Other Board members shall also have the right of attendance.
- In the absence of the Committee chair, the remaining members present shall elect one of their members to chair the meeting.
- The Corporate Secretary shall be the Secretary of the Committee; in his/her absence the Committee chair may appoint an individual to carry out the Secretary’s duties.

Frequency of Meetings

- Meetings may be called by any member of the Committee, or by the external auditors, should they consider one to be necessary.
- At a minimum, the Committee shall meet on a quarterly basis.
- Notice of meeting and agenda will be sent out to each member of the Committee not fewer than five working days prior to the meetings.

Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires to fulfill the above and all employees are directed to co-operate with any request made by the Committee.

Specific Roles and Responsibilities of the Committee

Financial Statements, Disclosure & Controls

- a) The Committee shall review the following before the Board of Directors’ approval and the Corporation’s public disclosure of such information:
 - i) the quarterly and annual financial statements, with accompanying notes;
 - ii) the quarterly and annual management’s discussion & analyses;
 - iii) the quarterly and annual press releases;
 - iv) any additional press releases which contain financial information;
 - v) the Annual Report;

- vi) the Annual Information Form;
 - vii) significant adjustments resulting from the external audit.
- b) The Committee shall examine the presentation and impact of significant risks and key management estimates and judgments that may have a material impact on the Corporation's financial reporting.
 - c) The Committee shall review the adequacy of the Corporation's financial reporting and internal accounting controls prior to endorsement by the Board.
 - d) The Committee shall periodically meet with management, the internal auditor, and the external auditors to review internal accounting controls, audit results, and accounting principles and practices.
 - e) The Committee shall ensure that the Director/Manager of Internal Audit has the right of direct access to the chair of the Committee.
 - f) The Committee shall consider the major findings of internal investigations and management's response.

External Auditors

- The Committee is to consider the appointment of external auditors, the external audit fee, and any questions of resignation or dismissal for recommendation to the Board.
- The Committee is to review the nature and scope of the audit, the cost effectiveness, independence and objectivity of the auditors.
- The Committee is to approve and review a policy regarding certain permitted audit, audit-related and tax services to be provided to the Corporation or its subsidiary entities by the external auditor. Such policy also sets out certain prohibited non-audit services and a procedure for the approval of any other permitted service not pre-approved by therein.
- The Committee is to discuss problems and reservation arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- The Committee is to review the external auditors' management letter and management's response.

Whistleblower Procedures

The Committee is to review and approve procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Hiring of Former/Present External Auditor Partners and Employees

The Committee is to 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.

Authority to Engage Advisors

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Committee, and to communicate directly with the internal and external auditors.