

AUDIT COMMITTEE: MANDATE, PROCEDURES AND POLICIES

1. DEFINITIONS

In this document, "Corporation" means the British Columbia Investment Management Corporation.

2. MEMBERSHIP

The Audit Committee consists of three members who are appointed by the Board of Directors. Each member of the Committee is to be financially literate.

3. MANDATE

The mandate of the Audit Committee is:

- 3.1. Through the discharge of its responsibilities in respect of financial statements and auditing, to foster a culture of honesty and ethical behaviour within the Corporation, and
- 3.2. To review, report on and, if required, make recommendations to the Board of Directors on the following matters:
 - 3.2.1. the appointment of the auditor for the Corporation, the Pooled Investment Portfolios and the Report on Controls Placed in Operation and Tests of Operating Effectiveness of Controls For the Investment System or similar reports;
 - 3.2.2. the auditors' independence, including non-audit services performed by the auditor;
 - 3.2.3. the terms of the auditors' engagement, including the appropriateness and reasonableness of the proposed audit fees;
 - 3.2.4. the audit plans for the Corporation's financial statements, for the Pooled Investment Portfolios and for the Report on Controls Placed in Operation and Tests of Operating Effectiveness of Controls For the Investment System or similar reports;
 - 3.2.5. proposed changes in major accounting policies, the impact of alternative accounting policies, the presentation and impact of significant risks and uncertainties and key estimates and judgements of management that may be material to financial reporting;
 - 3.2.6. the Corporation's annual financial statements; and the audit of the Corporation's, annual financial statements, including any post-audit or management letters and management's response and subsequent follow-up to any identified weaknesses;



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- 3.2.7. the Report on Controls Placed in Operation and Tests of Operating Effectiveness of Controls For the Investment System, and the audit of this Report, including any post-audit or management letters and management's response and subsequent follow-up to any identified weaknesses;
 - 3.2.8. the role and responsibilities of the internal auditor, the internal audit plan and internal audit reports to the Corporation and to the Audit Committee;
 - 3.2.9. the Board's and Committees' self-evaluation plan;
 - 3.2.10. any problems experienced by either the external or internal auditors in performing the audits, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
 - 3.2.11. any matters which come before the Audit Committee in the course of carrying out its mandate.
- 3.3. To receive, report on and if required, make recommendations to the Board of Directors on the annual financial statements of the Pooled Investment Portfolios; and the audit of these financial statements, including any post-audit or management letters and management's response and subsequent follow-up to any identified weaknesses.
- 3.4. Where no significant issues are noted or arise out of the actions of the Audit Committee contemplated by sections 3.2.7, 3.2.8, and 3.3, the Audit Committee may authorize the release of financial statements or of the Report, as the case may be, without further reference to the Board of Directors but shall circulate the released Report at the next scheduled Board of Directors meeting.

4. MEETINGS

The Audit Committee shall establish and follow a timeline of at least three regularly scheduled Audit Committee meetings a year. The Committee shall also meet by telephone, as and when necessary, to review the financial statements and the Report referred to in sections 3.2.7 and 3.3, where completion of such financial statements or such Report will not allow for a timely review of same at regularly scheduled Audit Committee meetings.



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