



## MANDATE OF THE AUDIT COMMITTEE

### 1. PURPOSE

The primary function of the Audit Committee (the “**Committee**”) is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing: (i) the financial information that will be provided to the shareholders and others; (ii) the systems of internal controls which management and the Board of Directors have established; and (iii) the Corporation’s audit and financial reporting process. The external auditors’ ultimate responsibility is to the Board of Directors and the Committee, as representatives of the shareholders.

These representatives have the ultimate authority to evaluate and, where appropriate, recommend replacement of the external auditors. The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section 5 of this Mandate of the Committee (the “**Mandate**”). The Committee will, at all times, be given full access to the Corporation’s management and records and to the external auditors as necessary to carry out these responsibilities.

### 2. INTERPRETATION

An “**affiliate**” of, or a person affiliated with, a specified person, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified, and includes, without limitation, (a) an Executive Officer of an affiliate; (b) a director who also is an employee of an affiliate; (c) a general partner of an affiliate; and (d) a managing member of an affiliate.

An “**Audit Committee Financial Expert**” means a person who has the following attributes: (a) an understanding of generally accepted accounting principles and financial statements; (b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls over financial reporting; and (e) an understanding of audit committee functions. A person shall have acquired such attributes through: (a) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions; (b) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; (c) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (d) other relevant experience.

“**Board of Directors**” or “**Board**” means the Board of Directors of IMV Inc.

“**Chairman**” means the Chairman of the Committee.

“**Committee**” means the Audit Committee of IMV Inc.

“**Committees**” means the Committee and the Compensation and Corporate Governance Committee.

“**control**” (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

“**Corporation**” means collectively, IMV Inc. and any subsidiary, including, without limitation, ImmunoVaccine Technologies Inc.

“**Executive Officer**” means the president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the issuer.

“**Family Member**” means a person’s spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person’s home.

“**Financially Literate**” means the ability to read and understand a set of fundamental financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the consolidated financial statements of the Corporation (including, without limitation, a balance sheet, income statement, and cash flow statement).

“**Independent Director**” means a director who is not an Executive Officer or employee of the Corporation or any other individual who has a direct or indirect relationship with the Corporation, which would interfere with the exercise of an independent judgment regarding the best interests of the Corporation or in carrying out the responsibilities of a director. An individual is not an Independent Director if such individual:

- (a) is, or has been within the last three years, an employee or Executive Officer of the Corporation;
- (b) is a Family Member of an individual who is or has been, within the last three years, an Executive Officer of the Corporation;
- (c) is or has been (or whose Family Member is or has been), within the last three years, an Executive Officer, a partner or an employee of a material service provider of the Corporation (including the external auditors);
- (d) participated in the preparation of the financial statements of the Corporation at any time during the past three years;
- (e) is or has been (or whose Family Member is or has been), within the last three years, an Executive Officer of another entity where at any time within the last three years any of the Executive Officer’s of the Corporation served on the entity’s Compensation Committee;

- (f) has a relationship with the Corporation under which he or she may directly or indirectly accept any consulting, advisory or other fees from the Corporation or a related entity, except for any compensation as a member of the Board or as a member of a Committee;
- (g) received (or whose Family Member received) more than C\$75,000 in compensation from the Corporation (excluding (A) fees as a director or Committee member, (B) compensation paid to a Family Member who is an employee (other than an Executive Officer) of the Corporation, or (C) benefits under a tax-qualified retirement plan or non-discretionary compensation) during any consecutive 12 month period within the last three years) during any consecutive 12 month period within the last three years;
- (h) is, or has a Family Member who is, a partner in, or a controlling shareholder or an Executive Officer of, any organization to which the Corporation made, or from which the Corporation received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or US\$200,000, whichever is more, other than the following: (i) payments arising solely from investments in the Corporation's securities; or (ii) payments under non-discretionary charitable contribution matching programs;
- (i) is a natural person who controls the Corporation; or
- (j) is an affiliate of the Corporation (or any subsidiary of the Corporation).

### **3. COMPOSITION OF COMMITTEE AND COMMITTEE MEETINGS**

- 3.1 The Committee shall be comprised of at least three Directors, all of which are Independent Directors. All members of the Committee shall be Financially Literate. The Committee shall also have at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Additionally, the Committee shall have at least one member who is an Audit Committee Financial Expert.
- 3.2 The Committee will meet on a quarterly basis and will hold special meetings as circumstances require. The timing of the meetings shall be determined by the Committee. At all Committee meetings a majority of the members shall constitute a quorum. The Board shall appoint the Chairman. If the Chairman is not present at a Committee meeting, the members present shall choose one of their number to act as Chairman for the purposes of this specific meeting.
- 3.3 Notice of each meeting shall be given to each Committee member and may but not required to be given to the other directors and to the Corporation's senior management. Unless they are expressly called to the meeting, the latter only receive the notice for information purposes.
- 3.4 The Committee may invite the persons it considers useful to invite, including the Corporation's senior management, to attend the meetings and participate in the discussions concerning the Committee's business.

- 3.5 The Committee members, whenever possible, shall take all necessary steps to attend Committee meetings and to prepare themselves with respect to the matters and documents to be discussed thereat.
- 3.6 The Committee will receive meeting agendas in advance, along with appropriate briefing material.
- 3.7 The Committee shall appoint a secretary. The secretary shall attend the meetings, during which he or she shall take minutes. The minutes shall be made available to the directors for consultation and are approved by the Board before being included in the Corporation's registers or records.
- 3.8 The Committee shall submit periodically a report to the Board on its activities, including the nature of its deliberations and the related recommendations.
- 3.9 The Committee, in the performance of its duties, may consult any relevant register or record of the Corporation.
- 3.10 The Committee members shall receive, in this capacity, the compensation that the Board establishes from time to time.

#### **4. COMMITTEE AUTHORITY AND RELATIONSHIP WITH EXTERNAL AUDITORS**

- 4.1 The external auditors shall report directly to the Committee.
- 4.2 The Committee reports to the Board of Directors and has the authority:
  - a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - b) to set and pay the compensation for any advisors (including, without limitation, the external auditors and independent counsel) employed by the audit committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties;
  - c) resolve any disagreements between the Corporation's senior management team and the external auditors regarding financial reporting;
  - d) pre-approve all auditing and non-audit services;
  - e) seek any information it requires from the Corporation's employees, all of whom are directed to cooperate with the Committee's requests, or external parties; and
  - f) to communicate directly with the Corporation's senior management team, external auditors, and outside counsel, as necessary, and separately, as necessary.

#### **5. RESPONSIBILITIES AND DUTIES**

- 5.1 To fulfill its responsibilities and duties, the Committee shall:

##### **Financial Statements**

- a) review the accounting principles, policies and practices followed by the Corporation in accounting for and reporting its financial results of operations;
- b) review the Corporation's audited annual consolidated financial statements and the unaudited quarterly financial statements, including complex or unusual transactions and highly judgmental areas, and recommend to the Board for approval prior to publicly disclosing this information. Also review and recommend to the Board for approval any accompanying related documents such as the Annual Information Form or equivalent filings and the Management's Discussion and Analysis prior to publicly disclosing this information;
- c) review the draft press releases regarding the annual and interim financial statements and recommend to the Board for approval prior to publicly disclosing this information;
- d) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures;

#### **Internal Control**

- e) consider the effectiveness of the Corporation's internal control system, including information technology security and control;
- f) understand the scope of external auditors' review of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with management's response;
- g) review the financial risk assessment and management policies followed by the Corporation in operating its business activities and the completeness and fairness of any disclosure thereof, including, without limitation, review of the use of derivative financial instruments by the Corporation;
- h) review and approve any management decision relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, approve the supplier of such service;
- i) establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation from employees regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by directors, officers and other employees of the Corporation of concerns regarding questionable accounting or auditing matters;

#### **External Audit**

- j) appoint, compensate and retain the external auditors in connection with preparing or issuing an auditor's report or with performing other audit, review or attestation services for the Corporation;

- k) oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- l) obtain, on an annual, basis, a formal written statement from the external auditors delineating the relationship between the external auditors and the Corporation, actively engaging in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors and for taking, or recommending that the full board take, appropriate action to oversee the independence of the external auditors under applicable securities laws and stock exchange rules;
- m) discuss with the external auditors their views about the quality of the implementation of International Financial Reporting Standards (or other generally accepted accounting principles used by the Corporation to report its financial statements), with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles. Meet in private with appropriate members of management and separately with the external auditors on a regular basis to share perceptions on these with the external auditors and their views on the adequacy of the Corporation's financial personnel;
- n) review and provide direction regarding the scope of the annual audit, the audit plan, the access granted to the Corporation's records and the co-operation of management in any audit and review function;
- o) review the effectiveness of the independent audit effort, including approval of the fees charged in connection with the annual audit, any quarterly reviews and any permitted non-audit services being provided;
- p) assess the effectiveness of the working relationship of the external auditors with management;
- q) determine the nature of non-audit services the external auditors are prohibited from providing to the Corporation, and pre-approve all permitted non-audit services provided by the external auditors to the Corporation;
- r) if appropriate, terminate the appointment of the external auditors;
- s) prepare the report required to be prepared by the Committee pursuant to applicable securities laws for inclusion with the annual financial statements;
- t) at least annually, obtain and review an appropriate report by the external auditors describing: (i) the external auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review or peer review of the external auditors, or any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with such issues; and (iii) all relationships between the external auditors and the Corporation to enable the assessment of the external auditors;

### **Reporting Responsibility**

- u) review and reassess annually the Mandate of the Committee for adequacy and recommend any changes to the Board;
- v) report to the Board on the major items covered at each Committee meeting and make recommendations to the Board and management concerning these matters. Annually report to the Board on the effectiveness of the Committee;
- w) perform any other activities consistent with this Mandate, the Corporation's bylaws and governing law as the Committee or the Board deems necessary or appropriate;

### **Compliance**

- x) review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up, including disciplinary action of any instances of noncompliance;
- v) review the findings of any examinations by regulatory agencies and any external auditors observations;
- w) review the process for communicating the code of conduct to the Corporation's employees and for monitoring compliance therewith; and
- x) obtain regular updates from management and Corporation's legal counsel regarding compliance matters.

Adopted by the Board on April 6, 2010 and amended on March 10, 2016 and May 30, 2018