

ACCORD FINANCIAL CORP.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Accord Financial Corp. (the “Company”) and has the responsibilities and duties as set out below.

MANDATE

1. To assist the Board in fulfilling its oversight responsibilities for:
 - the integrity of the Company’s financial statements;
 - the Company’s compliance with legal and regulatory requirements;
 - the qualifications and independence of the external auditors;
 - the performance of the external auditors; and
 - the system of internal control over financial reporting (“internal controls”).
2. To perform such duties as may be required under any applicable legislation and regulations including those of the Ontario Securities Commission (“OSC”) and the Toronto Stock Exchange (“TSX”) as more fully described under the heading "Duties" below.
3. To perform such other duties as may from time to time be assigned to the Committee by the Board.
4. To act as the Audit Committee for any other company beneficially owned by the Company, as determined by the Board.

AUTHORITY

The Committee has authority to:

- conduct or authorize investigations into any matters within its scope of responsibility;
- retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation as it determines necessary to carry out its duties; and
- communicate directly with Company officers, external auditors or outside counsel and advisors, as it deems necessary, and determine appropriate funding for independent advisors.

DUTIES

The duties of the Committee shall be to:

Financial Information

- review the quarterly and annual consolidated financial statements of the Company prior to approval by the Board and disclosure to the public; the review should include discussion with management and, with respect to the annual consolidated financial statements, external auditors of significant issues regarding the financial results, accounting principles, practices and management estimates and judgments;
- review the quarterly and annual Management’s Discussion & Analysis of Results of Operations and Financial Condition (“MD&A”) prior to review and approval by the Board;
- review annual and interim earnings press releases and any earnings guidance prior to approval by the Board and before such releases are issued to the public;
- discuss significant financial risk exposures and the steps management of the Company has taken to monitor, control and report such exposures;
- review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards;
- review the Annual Information Form; and
- 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 and internal control over financial reporting;

Compliance

- review transactions and investments that could adversely affect the well-being of the Company brought to its attention by the external auditors or by any officer of the Company;
- review any outstanding litigation matters;
- meet separately, at least four times annually, with management and, at least twice annually, with the external auditors; and
- annually, review the Charter for the Committee and evaluate the Committee's effectiveness in fulfilling its mandate. The Board will update the Charter at that time, if considered necessary.

Internal Controls

- require Company management to implement and maintain appropriate internal control procedures over financial reporting and review, evaluate and approve these procedures;
- meet with the Chief Financial Officer and with other members of management of the Company to discuss the effectiveness of the Company's internal control procedures; and
- establish procedures for processing complaints regarding accounting, internal control or auditing matters, including confidential, anonymous submissions from employees.

External Auditors

- have responsibility for the oversight of the external auditors who report directly to the Committee;
- recommend to the Board the appointment and termination of the Company's external auditors, subject to shareholder approval;
- review the annual audit plan and letter of engagement;
- at least annually review the report of the external auditors;
- review and recommend to the Board the annual fee for the audit of the Company, and review the Company's audit related expenses and pre-approve permitted non-audit services;
- approve any significant non-audit relationship with the external auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services by the external auditor. The pre-approved services shall be presented to the Committee at the first meeting following pre-approval;
- assess all relationships between the external auditors and the Company that pertain to independence and determine the external auditor's independence;
- meet with the external auditors to discuss the annual consolidated financial statements including the Company's disclosure under MD&A;
- review with the external auditors any audit problems or difficulties and management's response; and
- set clear policies for the Company's employment of current and former partners and employees of the external auditors.

Reporting/Other Duties

- report to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled Board meeting;
- provide for an open avenue of communication between the external auditors and the Board of Directors; and
- institute and oversee special investigations as needed.

COMMITTEE COMPOSITION

Structure

The Committee shall be composed of not less than three Board members. Each member must be financially literate or become financially literate within a reasonable period of time subsequent to his/her appointment to the Committee.

Independence

Every Committee member must be independent, as defined by instrument from time to time. No member of the Committee may be a current or former officer or employee of the Company or of any of its subsidiaries or affiliates. No member may be a person who is affiliated with the Company or of any of its subsidiaries or affiliates or related as determined by the Board for the purposes of the TSX Guidelines on Corporate Governance. Fees for acting as a Director or as a member of any committee of the Board (annual retainer and/or attendance fees) are the only compensation a member of the Committee may be paid by the Company. However, the foregoing will not serve to prevent a Director from being granted and exercising options to acquire shares of the Company, or being granted and exercising share appreciation rights.

Appointment of Committee Members

Members are appointed or re-appointed annually by the Board, such appointments to take effect immediately following the annual meeting of the shareholders of the Company. Members shall hold office until their successors are appointed or until they cease to be Directors of the Company.

Vacancies

Vacancies may be filled for the remainder of the current term of appointment by the Board.

Appointment and Qualifications of Committee Chair

The Board shall appoint from the Committee membership, a Chair for the Committee (the "Chair") to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen to preside at that meeting. The Chair of the Committee must have all of the qualifications for Committee membership and have accounting or related financial expertise.

MEETINGS

Calling of Meetings and Quorum

Meetings of the Committee may be called by the Chair, by any member of the Committee, or by the external auditors.

The Committee may call a meeting of the Board to consider any matter of concern to the Committee. The Committee shall not transact business at a meeting unless a quorum of the members is present. The quorum for a meeting of the Committee shall be two members. Written resolutions in lieu of a meeting are not permitted. Meetings may be held by telephone.

Notice of Meetings

Notice of meetings of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member's address or communication number last recorded with the Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

Notice to the External Auditors

The external auditors are entitled to receive notice of every meeting of the Committee and to attend and be heard at each meeting and to have the opportunity to discuss matters with the independent directors, without the presence of management.

Frequency

The Committee shall meet at least four times annually.

Secretary and Minutes

The Secretary of the Company or, in the absence of the Secretary, any other person appointed by the Committee shall act as Secretary of the Committee. Minutes of meetings of the Committee shall be recorded and maintained by the Secretary and subsequently presented to the Committee and to the Board, if required by the Board.