

**STELLA-JONES INC.  
("the Corporation")**

**CHAIRPERSON OF THE AUDIT COMMITTEE**

**Position Description**

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**Function**

The Chairperson of the Audit Committee of the Board of Directors is responsible for the effective functioning of the Audit Committee.

The Chairperson of the Audit Committee of the Board of Directors shall, upon recommendation by the Audit Committee, be appointed by the Board of Directors for a one year term following the annual meeting of shareholders (provided if there is a vacancy in such office, the members of the Audit Committee shall appoint one of its members to fill the vacancy until such time as it is filled by the Board of Directors).

**Responsibilities of the Chairperson**

The Chairperson of the Audit Committee shall provide leadership to the Committee with respect to:

1. Establishing procedures to govern the Committee's work and ensure the Committee's full discharge of its mandate and duties, including:
  - a) Collaborating with the CEO, CFO and other members of senior management, where appropriate, to develop the agenda for Committee meetings;
  - b) Providing appropriate information from management to enable the Committee to exercise their accountabilities;
  - c) Maintaining close contact with the Chairman of the Board on all matters pertaining to the Committee;
  - d) Ensuring that all items requiring Committee approval or Committee recommendations to the Board are appropriately tabled;
  - e) Ensuring proper flow of information to the Committee and reviewing adequacy and timing of documentary materials in support of management's proposals;
  - f) Ensuring with Committee members, that external advisors retained or to be retained by the Committee are appropriately qualified and independent;

- g) Ensuring that the Committee has access to such members of senior management as may be required by the Board;
- h) Ensuring transparent communication between the Committee and the Corporation's external auditor;
- i) Communicating to the Board of Directors each year the auditing firm recommended by the Committee that is to audit and report on the Corporation's financial statements for the current fiscal year;
- j) Reviewing with Committee members, the annual audit plan with the auditing firm to ensure that the audit will meet the needs of the Board of Directors and the requirements of the Corporation;
- k) Conducting pre-audit meeting(s) among Committee members and the auditing firm to review, among others, the general nature of the audit procedures to be performed and any significant accounting and auditing problems that the auditors can foresee;
- l) Performing other duties as may be assigned by the Board of Directors;
- m) Ensuring that the Committee is tracking the Corporation's timely progress with respect to disclosure controls & procedures and internal controls & procedures;
- n) Ensuring that the Committee is tracking the Corporation's timely progress with respect to International Financial Reporting Standards ("IFRS") and its compliance with IFRS going forward as of January 1, 2011;
- o) Chairing every meeting of the Committee and encourage free and open discussion at meetings of the Committee;
- p) Reporting to the Board of Directors on behalf of the Committee;
- q) Receiving complaints or concerns regarding internal accounting controls and accounting or auditing matters from employees as set out in the Corporation's whistle blowing procedures;
- r) Attending every meeting of shareholders and responding to such questions from shareholders as may be put the Chairperson of the Audit Committee; and
- s) Carrying out other duties as requested by the Board, depending on need and circumstances.

Reviewed and approved by the Board of Directors on December 10, 2010.