

Bridges Transitions Inc.

Audit Committee Charter

This Audit Committee Charter (Charter) has been adopted by the Board of Directors (the Board). The Audit Committee of the Board (the Committee) shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

Role and Independence: Organization

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, internal control and financial reporting practices of the Company. It may also have such other duties as may from time to time be assigned to it by the Board. The membership of the Committee shall consist of at least three directors, who are each free of any relationship that, in the opinion of the Board, may interfere with such member's individual exercise of independent judgement. Each Committee member shall also meet the independence and financial literacy requirements for serving on audit committees, and at least one member shall have financial management expertise, all as set forth in applicable Canadian securities law and policy and the requirements of any stock exchange on which the Company's shares are listed. The Committee shall maintain free and open communication with the independent auditors and Company management. In discharging its oversight role, the Committee is empowered to investigate any matter relating to the Company's accounting, internal control or financial reporting practices brought to its attention, with full access to all Company books, records, facilities and personnel. The Committee may retain outside counsel, auditors or other advisors at the Company's expense.

One member of the Committee shall be appointed as chair. The chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas, and making regular reports to the Board. The chair will also maintain regular liaison with the CEO, CFO, and the lead independent audit partner.

The Committee shall meet at least four times a year, or more frequently as the Committee considers necessary. At least once each year the Committee shall have separate private meetings with the independent auditors and management.

Responsibilities

Although the Committee may wish to consider other duties from time to time, the general recurring activities of the Committee in carrying out its oversight role are described below. The Committee shall be responsible for:

- Recommending to the Board the independent auditors to be retained (or nominated for shareholder approval) to audit the financial statements of the Company; recommend the remuneration of auditors, and on non-annual cycle quarters, to review results and related

reports. Such auditors are ultimately accountable to the shareholders but answer to the Board and the Committee, as representatives of the shareholders.

- Evaluating, together with the Board and management, the performance of the independent auditors and, where appropriate, recommending replacing such auditors.
- Obtaining annually from the independent auditors a formal written statement describing all relationships between the auditors and the Company, consistent with the applicable regulators and CICA guidance on independence. The Committee shall actively engage in a dialogue with the independent auditors with respect to any relationships that may impact the objectivity and independence of the auditors and shall take, or recommend that the Board take, appropriate actions to oversee and satisfy itself as to the auditors' independence.
- Reviewing the audited financial statements and discussing them with management and the independent auditors. These discussions shall include the matters required to be discussed under guidance provided by the CICA and consideration of the quality of the Company's accounting principles as applied in its financial reporting, including a review of particularly sensitive accounting estimates, reserves and accruals, judgmental areas, audit adjustments (whether or not recorded), and other such inquiries as the Committee or the independent auditors shall deem appropriate. Based on such review, the Committee shall make its recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's Annual Report.
- Overseeing the relationship with the independent auditors, including discussing with the auditors the audit process, receiving and reviewing audit reports, and providing the auditors full access to the Committee (and the Board) to report on any and all appropriate matters.
- Determining what non-audit services such as taxation advice, merger advice, and consulting services may be engaged from the same firm as provides the audit.
- Discussing with a representative of management and the independent auditors any issues arising from the independent auditors' review of the quarterly financial statements prior to the filing of the Company's Quarterly Report.
- Discussing with management and the independent auditors the quality and adequacy of and compliance with the Company's internal controls.
- Discussing with management and/or the Company's general counsel any legal matters (including the status of pending litigation) that may have a material impact on the Company's financial statements, and any material reports or inquiries from regulatory or governmental agencies.
- Approving the form, substance and terms of all material related party transactions before they are contracted.
- Review the Charter annually.

- Review and approve the MD & A.
- Review and approve financial press releases.
- Resolve disagreements between management and the auditors regarding financial reporting.

The Committee's job is one of oversight. Management is responsible for the preparation of the Company's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee and the Board recognize that management and the independent auditors have more resources and time, and more detailed knowledge and information regarding the Company's accounting, auditing, internal control and financial reporting practices than the Committee does; accordingly the Committee's oversight role does not provide any expert or special assurance as to the financial statements and other financial information provided by the Company to its shareholders and others.

The Audit Committee can consider the following additional duties or functions:

- Annually review the performance of the Auditors.
- Annually review the performance of the Members of the Audit Committee.
- Review and approve responses to securities regulatory bodies.
- Oversight over legal compliance, ethical compliance, regulatory, and risk management.

Updated to December 9, 2004
Posted on Company web site.