

 Empire Industries Ltd.	BD 2		Audit Committee Charter	
	Issued and Approved By:		Board of Directors	
	Date Issued:		May 12, 2008	
	Revision:		1	
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This Charter sets out the roles and responsibilities of the Audit Committee of Empire Industries Ltd. (the “Company”.) The roles and responsibilities described in this Charter must at all times be exercised in accordance with the requirements of the legislation and regulations governing the Company and its subsidiaries.

COMPOSITION

The audit committee is composed of three directors of the Company, all of whom shall meet the independence and experience requirements of the principal securities exchanges on which the Companies common shares are traded. The members of the Audit Committee must be “financially literate” as may be defined from time to time by the regulatory authorities. The quorum necessary to constitute a meeting of the Audit Committee is set at two directors.

“Independent” refers to an individual who has no direct or indirect material relationship with the Company. A material relationship refers to a relationship which could, in the view of the Company’s Board of Directors, reasonably interfere with the exercise of a member’s independent judgment.

“Financial literacy” means the ability to read and understand a set of 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 Company’s financial statements.

The Audit Committee’s responsibilities extend to the Company and its subsidiaries.

AUDIT COMMITTEE OBJECTIVES

1. To assist the Board of Directors in meeting their responsibilities.
2. To establish effective lines of communication between the Board of Directors, Management and Auditor.
3. To ensure independence, qualifications and performance of the Company’s external auditors.
4. To ensure the integrity of published financial reports.
5. To ensure the compliance by the Company with applicable legal and regulatory requirements relating to audit and internal controls.
6. To strengthen the role of the directors by facilitating in-depth discussions among directors, management and the auditor.

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AUDIT COMMITTEE RESPONSIBILITIES

1. Recommend to the Board of Directors:
 - a. the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
 - b. the compensation for the external auditor.
2. Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting and the auditors shall report directly to the Audit Committee. However, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate. This is the responsibility of Management and the independent auditor.
3. Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.
4. Review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
5. Satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in (4) above, and periodically assess the adequacy of those procedures.
6. Establish procedures for:
 - a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
 - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
8. Recommend that the Board retain special legal, accounting or other consultants to advise the Committee and to conduct or authorize investigations into any matters within the scope of its responsibilities. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend any meeting of the Committee or to meet with any members of, or consultants to, the Committee.
9. Make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.