

## TECK RESOURCES LIMITED AUDIT COMMITTEE CHARTER

### A. GENERAL

#### 1. Purpose

The Audit Committee (the “Committee”) is established by the Board of Directors (the “Board”) of Teck Resources Limited (“Teck”) to:

(i) provide an open avenue of communication between Teck’s management, external auditors and advisors, internal auditors, and the Board;

(ii) assist the Board in its oversight of the:

- (a) integrity, adequacy and timeliness of Teck’s financial reporting and disclosure practices;
- (b) processes for identifying Teck’s principal financial risks and reviewing Teck’s internal control systems to ensure that they are adequate to ensure fair, complete and accurate financial reporting;
- (c) compliance with legal and regulatory requirements related to financial reporting;
- (d) accounting principles, policies and procedures used by management in determining significant estimates;
- (e) antifraud programs and controls, including management’s identification of fraud risks and implementation of antifraud measures;
- (f) mechanisms for employees to report concerns about accounting policies and financial reporting;
- (g) engagement, independence and performance of Teck’s external and internal auditors and any other advisors; and
- (h) internal audit mandate, internal audit plans, audits and assessments of Internal Control over Financial Reporting related to the Sarbanes-Oxley Act of 2002 (“SOX”), and results of internal audits and SOX compliance audits performed by the internal auditors;

(iv) assist the Board in fulfilling its responsibilities to oversee and monitor the management and governance of Teck’s various pension plans (“Pension Matters”); and

(v) perform any other activities consistent with this Charter, Teck’s by-laws and applicable laws as the Committee or Board deems necessary or appropriate.

#### 2. Responsibilities

The Committee’s role is one of oversight and it is to act in an advisory capacity to the Board.

Management is responsible for preparing Teck’s financial statements and other financial information, for the fair presentation of the information set forth in the financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”, which for Teck is International Financial Reporting Standards), for establishing, documenting, maintaining and reviewing systems of internal control and for maintaining the appropriate accounting and financial

reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations. The external financial auditor's responsibility is to audit Teck's financial statements and provide an opinion, based on its audit conducted in accordance with Canadian generally accepted auditing standards, that the financial statements present fairly, in all material respects, Teck's financial position, results of operations and cash flows in accordance with GAAP.

In accordance with the SOX Section 404, the external auditor is also responsible for providing an opinion on the effectiveness of Teck's internal controls over financial reporting.

The Committee is responsible for recommending to the Board for recommendation to Teck's shareholders the appointment of the external auditor and for approving the external auditor's remuneration. The external auditor shall report directly to the Committee, as the external auditor is accountable to the Board as representatives of Teck's shareholders. The Committee is responsible for the evaluation and oversight of the work of the external auditor and the resolution of any disagreements between management and the external auditor regarding financial reporting and SOX assessment. It is not the duty or responsibility of the Committee or any of its members to plan or conduct any type of audit or accounting review or procedure.

With respect to Pension Matters, management is responsible for the day-to-day administrative and sponsorship responsibilities with respect to pension matters. The Committee is responsible for overseeing the activities of the Executive Pension Committee and the senior management personnel responsible for pension-related matters.

## **B. AUTHORITY AND RESPONSIBILITIES WITH RESPECT TO FINANCIAL REPORTING AND RELATED MATTERS**

In performing its oversight responsibilities, the Committee shall:

1. Review the appointments of Teck's chief financial officer ("CFO") and any other key financial executives involved in the financial reporting process.
2. Review with management the structure of the finance organization and succession planning for key finance leadership team roles.
3. Review with management, the external auditor, and the chief audit executive the adequacy and effectiveness of Teck's systems of internal control, the status of management's implementation of internal audit recommendations and the remediation status of any reported control deficiencies. Particular emphasis will be placed on those deficiencies evaluated as either a significant deficiency or a material weakness, which have been identified as a result of audits and/or during annual controls compliance testing as required under SOX legislation.
4. Review Teck's process for the CEO and CFO certifications required by applicable securities regulations with respect to Teck's financial statements, disclosure and internal controls, including any significant changes or deficiencies in such controls.
5. Review with management and the external auditor the annual audited financial statements and management's discussion and analysis and recommend their approval by the full Board prior to their release and/or filing with the applicable regulatory agencies.
6. Review with management and the external auditor the unaudited quarterly financial statements, associated management's discussion and analysis and interim earnings news releases and approve

them on behalf of the Board, prior to their release and/or filing with the applicable regulatory agencies.

7. As appropriate, review other news releases and reporting documents that include material non-public financial information prior to their public disclosure by filing or distribution of these documents as may be referred to the Committee by management's Disclosure Committee based on the level of materiality of the information or concerns previously expressed by the Committee related to the subject matter of the information. Such review includes financial matters required to be reported under applicable legal or regulatory requirements, but does not necessarily include news releases that contain financial information incidental to the announcement of acquisitions, financings or other transactions. Where practicable, the Committee will be given at least two business days to review and provide comments on such news releases and reporting documents and management will provide notice to Committee members as soon as possible that their review will be required.
8. Ensure that adequate procedures are in place for the review of Teck's public disclosure of financial information extracted or derived from Teck's financial statements, other than the disclosure documents referred to above, and periodically assess the adequacy of these procedures.
9. Review Teck's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
10. Review the quality and appropriateness, not just the acceptability, of the accounting policies and the clarity of financial information and disclosure practices adopted by Teck, including consideration of the external auditor's judgments about the quality and appropriateness of Teck's accounting policies. This review shall include discussions with the external auditor without the presence of management.
11. Review with management, the external auditor, and the internal auditors significant related party transactions and potential conflicts of interest.
12. Review with management Teck's tax policy and material developments in Teck's tax affairs.
13. Review with management Teck's privacy and cybersecurity risk exposure and the policies, procedures, and mitigation plans in place to protect the security and integrity of Teck's information systems and data, including crisis management and business continuity plans.
14. With respect to the external auditor:
  - (a) To assist the Board with its recommendations to shareholders, recommend (a) the external auditor to be nominated to examine Teck's accounts and financial statements and prepare and issue an auditor's report on them or perform other audit, review or attest services for Teck, and (b) the compensation of the external auditor.
  - (b) Approve all audit engagement terms and fees.
  - (c) Review with management and the external auditor and approve the annual external audit plan and results of and any problems or difficulties encountered during any external audits and management's responses thereto.

- (d) Receive the reports of the external auditor on completion of the quarterly reviews and the annual audit.
- (e) Monitor the independence of the external auditor by reviewing all relationships between Teck's external auditor and all audit, non-audit and assurance work performed for Teck by the external auditor on at least a quarterly basis. The Committee will receive an annual written confirmation of independence from the external auditor.
- (f) Pre-approve all audit, non-audit and assurance services provided by the independent auditor prior to the commencement of any such engagement. The Committee may delegate the responsibility for approving non-audit services to the Chair or another member of the Committee appointed by the Chair where the fee does not exceed \$50,000. The Committee will review a summary of all audit, non-audit, and assurance work performed for Teck at least twice per year.
- (g) Review and approve hiring policies regarding partners, employees or former partners and employees of the present or former external auditor of Teck, including:
  - (i) the appointment of any employee or former employee of the present and former external auditor to a senior financial management position with Teck; and
  - (ii) management's reports of the profiles of all individuals hired during the past year who were employed by the present and former external auditor at any time during the two years prior to being hired by Teck.
- (h) Review and evaluate the qualifications and performance of the external auditor annually. In conducting its review and evaluation, the Committee should:
  - (i) obtain and review any report by the external auditor describing any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation with respect to the firm by professional or regulatory authorities, and any steps taken to deal with any such issues;
  - (ii) review and evaluate the performance of the lead audit partners and the engagement team as a whole; and
  - (iii) take into account the opinions of management, the internal auditors (or other personnel involved with the annual audit and quarterly reviews) and Committee members.

15. Review and approve the internal audit function's:

- (a) mandate, authority, responsibilities, scope of services, and organizational reporting lines;
- (b) annual and longer term internal audit plans, budgets and staffing;
- (c) performance, qualifications, and competencies; and
- (d) the appointment, reassignment, or replacement of the chief audit executive.

This review will include discussions with chief audit executive without the presence of management or the external auditor.

16. Review Teck's procedures and establish procedures for the Committee for the:

- (a) receipt, retention and resolution of complaints regarding accounting, internal accounting controls, financial disclosure or auditing matters; and
  - (b) confidential, anonymous submission by employees regarding questionable accounting, auditing or financial reporting and disclosure matters or violations of Teck's Code of Ethics or associated policies.
17. Review material treasury matters, including liquidity management, the adequacy of Teck's bank lines of credit, guidelines for the investment of cash and other short term investments.
18. Review with senior financial management, the external auditor, the chief audit executive, and such others as the Committee deems appropriate, the results of operational reviews, audits, SOX controls compliance audits, risk-based reviews, and any problems or difficulties encountered during the audits.

### **C. AUTHORITY AND RESPONSIBILITIES WITH RESPECT TO PENSION MATTERS**

In assisting the Board in fulfilling its responsibilities with respect to the management and governance of Teck's pension plans, the Committee shall:

1. With respect to Teck's role as plan sponsor:
- (a) review and oversee the implementation of the design of Teck's pension plans, the coverage afforded by the plans and changes to the plans;
  - (b) review the funding policies for Teck's defined benefit plans and where appropriate, recommend the Board's approval of these policies;
  - (c) review the level of Teck's contributions to its defined contribution plans and any proposed changes thereto and where appropriate recommend approval of such changes to the Board; and
  - (d) review proposals for the wind-up or partial wind-up of any of Teck's pension plans, having regard to any collective bargaining and regulatory requirements and making appropriate recommendations in respect thereof to the Board.
2. With respect to Teck's role as plan administrator:
- (a) oversee and monitor the authority delegated to management's Executive Pension Committee to administer each of the pension plans in accordance with relevant pension legislation, the terms of the plans and all other requirements of law;
  - (b) review compliance with minimum funding requirements (if any) prescribed by applicable pension legislation and the policies and procedures in place in respect thereof, including requisitioning and reviewing actuarial reports;
  - (c) review and monitor the investment of pension fund assets (in the case of a defined benefit plan), including the policies and procedures in place in respect thereof;
  - (d) review and monitor the sufficiency and appropriateness of the investment choices available to plan members of the defined contribution plans and the communication and educational materials provided to plan members; and

- (e) review and monitor the performance of the investment managers chosen by management for Teck's pension plans, including the process established for the selection, retention or replacement of any investment manager or advisors.

## **D. COMMITTEE COMPOSITION**

### **1. Member Qualifications**

The Committee shall consist of at least three directors. All members of the Committee shall be independent directors and shall be sufficiently financially literate to enable them to discharge their responsibilities in accordance with any applicable corporate, securities, or other legislation or any applicable rule, regulation, instrument, policy, guideline, or interpretation under such legislation and the requirements of the stock exchanges on which Teck's securities trade, including National Instrument 52-110. Financial literacy means the ability to read and understand a balance sheet, income statement, cash flow statement and associated notes, which represent 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 Teck's consolidated financial statements.

At least one member of the Committee shall have accounting or related financial management expertise that allows that member to read and understand financial statements and the related notes attached thereto in accordance with GAAP and shall otherwise qualify as an audit committee financial expert as required by SOX Section 407.

### **2. Member Appointment and Removal**

The members of the Committee shall be appointed annually at the time of each annual meeting of shareholders and shall hold office until the next annual meeting or until they cease to be directors of Teck.

### **3. Quorum**

A quorum for the Committee shall be a majority of the members.

## **E. PROCEDURES AND OTHER MATTERS**

### **1. Structure and Operations**

The Board shall appoint a Chair of the Committee who, in consultation with the Committee members, shall determine the schedule and frequency of Committee meetings, provided that the Committee shall meet at least five times per year. The Committee may invite any person to attend meetings to assist in the discussion of the matters under consideration by the Committee. Decisions at meetings of the Committee will be made by simple majority vote and the Chair shall not have a casting vote. The Committee may also take action evidenced by a written consent resolution signed by all members of the Committee, which resolution may be signed in counterparts.

### **2. In-Camera Meetings**

In performing its oversight responsibilities, the Committee shall meet separately with the CFO, other senior financial management requested by the Committee, the external auditor, and the chief audit executive at least four times per year, or more frequently as required, to discuss matters that the Committee or these individuals or groups believe should be discussed privately with the Committee.

3. Litigation and Ethics Matters

On a quarterly basis, Teck's senior officer in charge of legal matters and the chief audit executive shall report any litigation, claim or other contingency that could have a significant effect on Teck's financial results or disclosure and any real or suspected incidents of fraud, theft or violations of Teck's Code of Ethics or associated policies that have been reported to management or to the internal audit department. The Committee shall review any such reports or similar reports submitted by other employees or members of management and if deemed necessary, report such matters related to auditing, accounting and financial reporting and/or disclosure to the full Board.

4. Management Committee Minutes

Copies of the minutes of meetings of management's Disclosure Committee and Executive Pension Committee shall be provided to the Committee upon their request.

5. Investigations and Advisors

The Committee shall conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee has the authority to (a) retain independent counsel, accountants, auditors or other advisors to assist it in the conduct of any investigation or otherwise to assist it in the discharge of its duties, at the expense of Teck, (b) set and pay the compensation of and engagement terms for any such advisors retained by it, and (c) communicate directly with the internal and external auditors and advisors.

6. Manner of Reporting to the Board

The Committee shall fix its own procedures, keep records of its proceedings, and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board). The Board shall be promptly advised of any decisions taken by the Committee, and minutes of any Committee meeting will be provided to the Board.

7. Review of the Charter

The Committee shall annually assess the adequacy of this Charter and recommend any changes to the Board for approval, taking into account any applicable legislative and regulatory requirements and best practice guidelines.

8. Annual Review and Assessment

The Committee's performance, including its compliance with this Charter, shall be evaluated annually in accordance with a process approved by the Board and the results of that evaluation shall be reported to the Committee and to the Board.

9. Committee Reports

(a) Advise the Board, either orally or in writing, of any:

- i. accounting, disclosure or finance related matters that the Committee believes have or could have a material effect on the financial condition or affairs of Teck;
- ii. pension-related matters that the Committee believes have or could have a material effect on the financial condition or affairs of Teck and/or any of its pension plans; and



- iii. make appropriate recommendations to the Board in respect of any matters requiring Board approval.
- (b) The Chair of the Committee shall prepare or cause to be prepared an audit committee report to be included in Teck's annual management proxy circular, which report shall be approved by the Committee.