

## CHARTER OF THE AUDIT COMMITTEE

### 1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1 This Charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of Century Global Commodities Corporation and its subsidiaries (the "**Company**"), annual evaluation and compliance with this Charter.

1.2 The primary responsibility of the Audit Committee is for oversight of the Company's financial reporting process, on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with applicable laws in the area of financial reporting, as well as complaint procedures. The Audit Committee is also responsible for other matters as set out in this charter (the "**Board**") or as may be directed by the Board from time to time.

### 2. MEMBERSHIP

2.1 Each member of the Audit Committee must be an independent Director of the Company as defined under applicable securities laws.

2.2 The Audit Committee will consist of at least three members, all of whom shall be financially literate. An Audit Committee member who is not financially literate may be appointed to the Audit Committee, provided the member becomes financially literate within a reasonable period of time following his or her appointment.

2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent Director.

### 3. AUTHORITY

3.1 The Audit Committee shall have the resources and authority to carry out the duties and responsibilities included in this Charter, including the authority to:

- a) engage, and set the compensation for, external counsel and other advisors as it determines necessary to carry out its duties and responsibilities and any such consultants or professional advisors retained by the Audit Committee will report directly to the Audit Committee;
- b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, such expenses to be paid for by the Company.

### 4. DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include responsibility to:

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### Oversight of the External Auditor

- (a) recommend to the Board the external auditor to be nominated by the Board;
- (b) recommend to the Board the compensation to be paid by the Company for the services of the external auditor in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
- (c) review the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- (d) oversee the work of the external auditor;
- (e) pre-approve all non-audit services to be provided to the Company by the Company's external auditor, the Chair of the Audit Committee having the authority to pre-approve, between regularly scheduled Audit Committee meetings, any non-audit service of less than \$25,000; provided that such approval is presented to the Audit Committee at the next scheduled meeting for formal approval;
- (f) evaluate and report to the Board with regard to the independence and performance of the external auditors, which may include an evaluation of the lead partner, consideration of a rotation of the lead partner of the external auditor and the audit firm itself and, if necessary, make recommendations to the Board to take additional action to satisfy itself of the qualifications, performance and independence of the external auditor;
- (g) review and discuss with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and interim/quarterly review engagements;
- (h) resolve disputes between management and the external auditor regarding financial reporting;
- (i) review and discuss with management and the external auditor major issues regarding accounting principles and financial statement presentation, including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

### Financial Reporting

- (j) review and discuss with management and the external auditor the annual audited and interim/quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial

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statements are presented fairly in accordance with GAAP and the MD&A is in compliance with appropriate regulatory requirements;

- (k) provide to the Disclosure Committee any requested assistance in connection with press releases containing financial information relating to the Company's financial statements, as well as with other press releases regarding financial information for the Company;
- (l) report on and recommend to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the interim/quarterly unaudited financial statements, and the related MD&A, prior to the dissemination of these documents to members, regulators, analysts and the public;
- (m) satisfy itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, and that such information is fairly presented;
- (n) satisfy itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through its experience with the financial control and reporting team, potentially the receipt of reports from management and the Company's advisors on the functioning of the disclosure compliance system (including any significant instances of non-compliance with such system), and satisfy itself that such system may be reasonably relied upon;
- (o) oversee compliance with regulatory authority requirements regarding disclosure of external auditor services and Audit Committee activities;
- (p) review and discuss such other relevant public disclosures containing financial information as the Audit Committee may consider necessary or appropriate;

### **Internal Controls over Financial Reporting and Disclosure Controls**

- (q) oversee the adequacy of the Company's system of internal accounting controls and periodically obtain from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (r) review and monitor the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company, assess the effectiveness of these processes and report thereon to the Board;
- (s) periodically review the Company's activities, organizational structure regarding financial matters, and the qualifications of the Chief Financial Officer ("CFO") (as well as other employees in the financial reporting area to the extent requested by senior management) and ensure that matters related to succession planning within the Company in the area of financial planning, reporting and controls are raised for consideration at the Board;

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- (t) periodically review and discuss with management the disclosure controls relating to the Company's public disclosure of financial information, including information extracted or derived from financial statements and assess the adequacy of such procedures;
- (u) periodically review the effectiveness of the Company's internal and disclosure control procedures, including information gathering systems, in order to assess the adequacy of these procedures;
- (v) inquire as to major internal control weaknesses identified by the auditors, the Company or any external party and the effectiveness of management in correcting these problems;

### **Review of Ethical Standards**

- (w) review the Code of Ethics and make recommendations to the Board respecting any required modifications or changes;
- (x) develop a process for monitoring compliance with the Code of Ethics and provide periodic reports to the Board respecting compliance with the Code of Ethics;
- (y) establish a procedure to receive and process requests from management and Directors for the waiver of the Code of Ethics, granting waivers of the Code of Ethics to management and the Board, as the Audit Committee may deem appropriate and arrange for any such waiver to be promptly disclosed to members, to the extent required by applicable securities laws;
- (z) disclose any material departures from the Code of Ethics to the extent required by applicable securities laws;
- (aa) obtain reasonable assurance as to the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;

### **Complaint Procedures**

- (bb) establish procedures for the receipt, retention and treatment of complaints received from Company employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto and the confidential, anonymous submission by employees of the Company and others raising concerns regarding questionable accounting or auditing matters;

### **Other**

- (cc) review the external auditor's report to the members on the Company's annual financial statements;  
and
- (dd) review and approve the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor.

4.2 In addition to the forgoing list of duties, the Audit Committee may perform such other functions as may be necessary or appropriate to the circumstances, or as delegated by the Board.

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### 5. STRUCTURE AND COMPOSITION

#### Composition

5.1 The appointment of the members of the Audit Committee shall take place annually, at the first meeting of the board after the annual meeting of the members at which directors are elected, provided that if the appointments are not made, the Directors then serving as members of the Audit Committee shall continue to service until their successors are appointed.

5.2 The Audit Committee shall review on a periodic basis whether any of its members serve on the audit committees of other public companies. If any of the Audit Committee members do so, the Audit Committee shall consider the ability of such members to effectively serve on the Audit Committee and, if it is determined that such members are able to continue serving, the Audit Committee shall record the reasons for such a decision. The Audit Committee will also ensure that the requirements in the Code of Business Conduct and Ethics are complied with in regard to any such member's participation.

5.3 The Board shall add members to the Audit Committee, on the recommendation of the Governance and Nominating Committee, to fill vacancies on the Audit Committee, in accordance with the Memorandum and Articles of Association of the Company.

5.4 The Audit Committee may create one or more subcommittees and may delegate, in its discretion, all or a portion of its duties and responsibilities to such subcommittees.

5.5 The Board shall designate one member of the Audit Committee, on the recommendation of the Governance and Nominating Committee, as the Chair of the Audit Committee ("**Committee Chair**") who shall serve until his or her resignation, his or her removal by resolution of the Board, or until he or she ceases to be a Director of the Company, whichever occurs first.

#### Responsibilities of the Committee Chair

5.6 The responsibilities of the Committee Chair shall include the following (as and when appropriate):

- a) lead the Audit Committee in undertaking the duties and responsibilities under this Charter;
- b) facilitate the flow of information to members of the Audit Committee required in a timely fashion;
- c) facilitate access by members of the Audit Committee to management, as necessary;
- d) chair Audit Committee meetings;
- e) work with the Audit Committee members and the Chief Executive Officer ("**CEO**") to establish the frequency of, and agenda for, Audit Committee meetings;
- f) lead the Audit Committee in reviewing and assessing the adequacy of its mandate, evaluate the effectiveness in fulfilling its mandate and make recommendations to the Governance and Nominating Committee;
- g) maintain regular liaison with the external auditor, including the lead partner and management;

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- h) canvass members for continuous educational needs and, in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis; and
- i) make oral and written reports to the Board, on behalf of the Audit Committee, on the activities and recommendations of the Audit Committee (unless that responsibility is otherwise delegated by the Audit Committee or the Committee Chair to another Audit Committee member) at the next Board meeting or more regularly, as required.

5.7 The Committee Chair shall have the power to delegate his or her authority and duties to an individual member of the Audit Committee as he or she considers appropriate;

### Meetings

5.8 The calling, times and locations of meetings of the Audit Committee and procedures at such meetings shall be determined from time to time by the Audit Committee, provided that there should be a minimum of four meetings per year.

5.9 In general, and subject to the notice provisions in the Company's Memorandum and Articles of Association, written notice shall be provided to the Audit Committee members no later than 48 hours prior to the meetings, unless all members of the Audit Committee agree to receive shorter notice.

5.10 An Audit Committee member may participate in an Audit Committee meeting by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

5.11 If a Committee Chair is not present at any meeting of the Audit Committee, one of the other members of the Audit Committee present at the meeting shall be chosen by the Audit Committee to preside at the meeting.

5.12 The Secretary (or Co-Secretary, as the case may be) of the Company<sup>1</sup>, or his or her designate, or such other person approved by the Audit Committee shall act as secretary to the Audit Committee.

5.13 Each of the members of the Audit Committee, the Board Chair, the external auditor, the CEO, the CFO or the Secretary (or Co-Secretary, as the case may be) shall be entitled to request that the Chair of the Audit Committee call a meeting, which should be held within 48 hours of receipt of such request.

5.14 Agendas for meetings of the Audit Committee will be developed under the oversight of the Chair of the Committee and shall be circulated to Audit Committee members prior to the Audit Committee meetings.

5.15 The Audit Committee shall have the right to request the external auditors, or any member of management, or any employee of the Company to attend a meeting of the Audit Committee.

5.16 The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee, or such greater number as the Audit Committee shall by resolution determine.

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<sup>1</sup> **Note:** As of November 9, 2016, the Co-Secretaries of the Company are Ivan Wong and Denis Frawley.

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- 5.17 The affirmative vote of a majority of those members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.
- 5.18 The Audit Committee may invite such officers, Directors, and employees of the Company as it may see fit from time to time to assist the Audit Committee in carrying out its duties and responsibilities.
- 5.19 The Audit Committee may hold regular *in camera* sessions, during which the members of the Audit Committee shall meet in the absence of management. At each Audit Committee meeting, the Audit Committee shall consider whether an *in camera* session is necessary or appropriate, and shall hold an *in camera* session if the Audit Committee deems it necessary or appropriate.
- 5.20 The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report. This meeting with the external auditor may occur in the context of an Audit Committee meeting.
- 5.21 The Audit Committee shall report to the Board on its activities after each meeting. This reporting may be provided through an oral or written report at a subsequent Board meeting.
- 5.22 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.
- 5.23 A resolution in writing signed by all the members of the Audit Committee is as valid as a resolution adopted or decision otherwise made by the Audit Committee at a meeting at which a quorum is present.

## 6. PERFORMANCE REVIEW

- 6.1 The Audit Committee shall endeavour to do the following at least every two years:
- a) review and assess the adequacy of the Charter and, if necessary, make recommendations to the Governance and Nominating Committee with respect to its modification or amendment;
  - b) undertake a performance evaluation of the Audit Committee and compare the performance of the Audit Committee to the Charter; and
  - c) report the results of the performance evaluation to the Governance and Nominating Committee or the Board through an oral or written report prepared by or under the oversight of the Committee Chair or any other member of the Audit Committee designated to make the report.