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ROLE AND RESPONSIBILITIES

The Audit Committee (“**Committee**”) is a committee of the Board of Directors (the “**Board**”, each member of the Board a “**Director**”) of ACT Energy Technologies Ltd. (the “**Corporation**”), established to assist the board in fulfilling its responsibility for oversight of the Corporation’s financial reporting process. The primary functions of the Committee are to assist the Board in fulfilling its responsibilities with respect to:

- (a) Oversight, review and approval of the financial statements and the accounting and financial reporting processes of the Corporation;
- (b) Oversight of the assessment of the system of internal controls that management has established; and
- (c) Oversight of the external audit process.

In addition, the Committee shall assist the Board, as requested, in fulfilling its oversight responsibilities with respect to enterprise risk management practices.

MEMBERSHIP

1. The Committee shall be comprised of a minimum of three (3) Directors, all of whom must qualify as "independent" Directors pursuant to National Instrument 52-110 *Audit Committees* (as implemented by the Canadian Securities Administrators and as amended from time to time). Each member of the Committee shall be financially literate, as defined in NI 52-110, and the Chair of the Committee shall have accounting or related financial managerial expertise.
2. The members of the Committee and its Chair shall be appointed by the Board. The Chair shall be responsible for leadership of the Committee, including preparing meeting agendas, presiding over meetings, and reporting to the Board.
3. Each member of the Committee shall serve until the member resigns, is removed, or ceases to be a member of the Board. Any member of the Committee may be removed or replaced by the Board. The Board has the power to fill vacancies on the Committee by appointment from existing members of the Board at such times as determined by the Board.

MEETINGS

4. The Committee shall meet as frequently as is necessary, but not less frequently than four (4) times per year. The Chair may call additional meetings as required. A meeting may also be called by the Board Chair, the President & Chief Executive Officer (the “**CEO**”), any member of the Committee or

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the external auditors. The Committee shall report to the Board on its activities following each meeting.

5. The CEO and the Chief Financial Officer are expected to be available to attend the Committee's meetings or portions thereof. The Committee shall have the opportunity to meet without management present and with such officers or Directors as it considers necessary.
6. Quorum for any meeting shall be a majority of the Directors on the Committee.
7. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution, provided that where permitted by applicable law, resolutions of the Committee may also be approved by consent in writing by all of the members of the Committee. In the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination.
8. Directors who are not members of the Committee may attend Committee meetings, upon invitation of the Committee Chair or a majority of the members of the Committee.
9. The Chair of the Committee shall designate a person who need not be a member of the Committee or a Director to act as secretary. Minutes of all meetings of the Committee shall be taken by the secretary.

SPECIFIC DUTIES AND RESPONSIBILITIES

10. The duties and responsibilities of a member of the Committee are in addition to the duties as a member of the Board.

Oversight of Financial Reporting and Public Disclosure

11. It is a primary responsibility of the Committee to review the financial statements of the Corporation prior to their submission to the Board for approval. The Committee shall review, with management and the independent external auditor:
 - (a) the independent external auditors annual audit plan;
 - (b) the Corporation's annual audited financial statements, including any significant issues including accounting principles, practices and significant management estimates and judgments, any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies;
 - (c) the Corporation's annual management's discussion and analysis ("**MD&A**");

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- (d) the independent external auditors' audit examination of the annual financial statements and their report thereon; and
 - (e) all public disclosure documents containing audited or unaudited financial information before release, including, but not limited to, any prospectus, the Corporation's annual report, the Corporation's annual information form, the Corporation's management proxy circular and any press releases.
12. Review, with management and if appropriate, the independent external auditor engaged to perform a limited scope review of the interim reports:
 - (a) the Corporation's interim unaudited financial statements;
 - (b) the Corporation's interim MD&A;
 - (c) related press releases; and
 - (d) any significant changes to the Corporation's accounting principles.
 13. Oversee an investigation sufficient to provide reasonable grounds for believing that the financial statements and reports referred to in paragraphs 11 and 12 above are complete in all material respects and consistent with the information known to Committee members, and assess whether the financial statements reflect appropriate accounting principles.
 14. Review with senior management and the independent external auditor, management's handling of any proposed audit adjustments identified by the independent external auditors.
 15. Meet with the independent external auditor to review the results of the audit examination of the financial statements and their report thereon, their judgments about the quality and appropriateness of the Corporation's accounting principles, and any audit problems or difficulties and management's response.
 16. Review and resolve any significant disagreement between management and the independent external auditors encountered during the course of their audit or review, including any restrictions in the scope of the independent external auditor's work or access to required information.
 17. Review the integrity of the Corporation's internal and external financial reporting process, in consultation with the independent external auditors.
 18. Review tax, legal and any financial reporting aspects of the Corporation as the Committee considers appropriate.

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19. Consider, evaluate and recommend to the Board such changes as are appropriate to the Corporation's auditing and accounting principles and practices as suggested by the independent external auditors or senior management.
20. Review with the independent external auditors and senior management the extent to which changes and improvements in financial and accounting practices, as approved by the Committee, have been implemented.
21. Formally recommend approval to the Board of the Corporation's annual financial statements, interim financial statements and reports referred to in paragraphs 11 and 12 above. The annual audited financial statement review shall include a report from the independent external auditors about the quality of the most critical accounting policies upon which the Corporation's financial status depends, and involve the most complex, subjective or significant judgmental estimates, decisions or assessments.

Independent External Auditor

22. The Committee shall recommend to the Board, subject to the rights of shareholders and applicable law, the nomination, appointment and compensation, of the independent external auditor, and oversee the work of the independent external auditors for the purposes of preparing or issuing an audit report, or performing other audit, review, or attest services for the Corporation. The independent external auditors shall report directly to the Committee.
23. The Committee shall establish and maintain free, open and transparent communication with the independent external auditor, and between the external auditor and senior management, ensuring that the ultimate accountability of the external auditor is to the shareholders of the Corporation. The Committee shall periodically meet separately with each of them.
24. At least annually, obtain and review a report by the independent external auditor describing:
 - (a) the independent external auditors' internal quality-control procedures; and
 - (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent external auditors, and any steps taken to deal with any such issues.
25. Confirm the independence of the independent external auditor by discussing and reviewing all significant relationships that the independent external auditors have with the Corporation and obtaining their assertion of independence in accordance with professional standards.

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26. Review and evaluate:

- (a) the performance of the independent external auditor, and make a recommendation to the Board regarding the reappointment or discharge of the independent external auditors for presentation to the shareholders;
- (b) the terms of engagement, audit scope and audit plans of the independent external auditors together with their proposed fees; and
- (c) the engagement of the independent external auditors firm or affiliates to perform non-audit services, together with the fees thereof, and the impact thereof, on the independence of the independent external auditors.

27. Approve all non-audit services with the Corporation's independent external auditors other than services related to limited scope reviews of interim reports.

28. When there is to be a change in the independent external auditor, review all issues relating to the change to be included in the required notice to securities regulators of such change.

29. Review and approve the hiring policies for the Corporation's hiring of employees or former employees of the present and any former independent external auditors.

Internal Controls

30. Evaluate whether senior management is adequately communicating the importance of internal controls to all relevant personnel.

31. Periodically privately consult with the independent external auditor about internal controls and the completeness and accuracy of the Corporation's financial statements. Any significant recommendation made by the independent external auditor for the strengthening of internal controls shall be reviewed and discussed with senior management.

32. Review whether the internal control recommendations made by internal auditors and the independent external auditor are being implemented by senior management and, if not, why not.

Compliance with laws and regulations

33. Periodically obtain updates from senior management regarding procedures and processes to ensure compliance with applicable laws and regulations (including but not limited to, securities, tax and environmental matters).

34. Review and receive reports from the Corporation's Disclosure Committee.

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35. Monitor and approve the Corporation's Disclosure Policy.

Other Responsibilities

36. Review policies and procedures with respect to officers' and directors' expense accounts and perquisites, including the use of corporate assets.
37. Review the financial risks arising from the Corporation's exposure to such things as interest rates, credit, insurance programs, remittances, assessments, tax policies and planning initiatives and government audits and report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the business of the Corporation.
38. Review the procedures established for the receipt, retention, and treatment of complaints received by the Corporation of concerns regarding accounting, internal accounting controls, auditing or code of conduct matters and resolution of such concerns, if any.
39. Review the procedures established allowing the confidential, anonymous submission by the Corporation's employees of concerns regarding questionable accounting or auditing matters and resolution of such concerns, if any.
40. Review with the Board, any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements and the performance and independence of the Corporation's independent external auditors.
41. Review and/or approve other financial matters delegated specifically to it by the Board.
42. Review and assess the adequacy of this Charter and, where necessary, recommend changes to the Board for its approval, and conduct an annual review of the Committee's performance against this Charter.

PROCEDURE GOVERNING ERRORS OR MISSTATEMENTS IN FINANCIAL STATEMENTS

43. In the event a Director of the Corporation has reason to believe, after discussion with management, that a material error or misstatement exists in the Corporation's financial statements, that Director shall forthwith notify the Committee and the independent external auditor of the error or misstatement of which the Director becomes aware in a financial statement that the independent external auditor or a former independent external auditor has reported on.
44. When the Committee or the Board is made aware of an error or misstatement in a financial statement the Board shall prepare and issue revised financial statements or otherwise inform the shareholders and file such revised financial statements as required.

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AUTHORITY

45. The Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Committee has the sole authority to approve any non-audit engagement by the Corporation's independent external auditors and to approve all audit engagement fees and terms. The Committee shall have unrestricted access to personnel and information, and any resources necessary to carry out its responsibility.

EXTERNAL CONSULTANTS

46. The Committee shall have the authority to engage and compensate any external consultants or advisors that it determines to be necessary to permit it to carry out its duties, including independent legal counsel, accountants or others as it deems necessary in fulfilling its duties. The Corporation will adequately fund the budget of the Committee including, if necessary, funding for external consultants or advisors retained by the Committee from time to time.

LIMITATION ON COMMITTEE MEMBERS' DUTIES

47. Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards it deems necessary from time to time to fulfill its responsibilities.

