



Fueling the Sustainable
Energy Transition

CIELO WASTE SOLUTIONS CORP.

Amended and Restated Audit Committee Mandate

Cielo Waste Solutions Corp. (the “**Company**”) has established and maintains an Audit Committee, (the “**Committee**”) to assist the Board of Directors of the Company (the “**Board**”) in carrying out its oversight responsibility with respect to financial reporting and risk management.

Composition

1. The Committee shall consist of at least three directors. The Board shall appoint the members of the Committee. The Board shall appoint one member of the Committee to be the chair of the Committee (the “**Chair**”).
2. A majority of directors appointed to the committee by the Board shall be “independent” pursuant to Canadian Securities Administrators National Instrument 52-110 - *Audit Committees* and any additional requirements or guidelines for audit committee service under applicable securities laws and the rules of any stock exchange on which the shares of the Corporation are listed for trading.
3. If available, at least one member shall have accounting or related financial management expertise, meaning the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.
4. A director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.
5. Any member of the Committee may be removed or replaced at any time by the Board and will automatically cease to be a member of the Committee upon ceasing to be a director. The Board will fill any vacancy if the membership of the Committee is less than three directors. Whenever there is a vacancy on the Committee, the remaining members may exercise all of its powers if a quorum remains in office.

Primary Duties and Responsibilities

The Committee’s primary duties and responsibilities are to:

1. *Annual and Quarterly Financial Reporting*
 - (a) review with management and the Company external auditors (“**Auditors**”), and recommend to the Board for approval and release to shareholders, the quarterly and

annual financial statements of the Company, together with related reports to shareholders and management's discussion and analysis ("MD&A") associated with such financial statements;

- (b) review with management and with the Auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
- (c) review and discuss with management any legal matters which could impact the financial statements;
- (d) discuss with management and the Auditors any proposed changes in major accounting policies or principles, the presentation and effect of significant risks and uncertainties and key estimates and judgements of management that may be material to financial reporting;
- (e) consider consistency of the data reported in the financial statements and related public disclosure documents;
- (f) review audited annual financial statements and related documents in conjunction with the report of the auditors and significant variances between comparative reporting periods as set out in the MD&A;
- (g) review, independently of management, and without management present, the results of the annual external audit, the audit report thereon and the auditor's review of the related financial statements and MD&A, and discuss with the Auditor the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the Auditor's preferred treatment and any other material communication with management;

2. *Internal Control Framework*

- (a) review and assess the framework of, and consider the integrity of, the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance through discussions with management and the Auditor;
- (b) establish and monitor procedures for the receipt, retention and treatment of complaints, including the anonymous submission of complaints received by the Company concerning accounting, internal accounting controls, or auditing matters or instances where a representative has failed to comply with any applicable law, Company control, policy or procedure including the Code of Business Conduct and Ethics and the Disclosure Policy, all of which constitute "whistleblower" issues;
- (c) review with management the Company's relationship with regulators and the timelines and accuracy of the Company's filings with regulatory agencies;
- (d) consider and review with management:

- (i) all unadjusted errors identified by the Auditors;
- (ii) the internal control memorandum or management letter containing the recommendations of the Auditors and management's response, if any, including any evaluation of the adequacy and effectiveness of the internal financial controls of the Company and subsequent follow-up to any identified weakness;

3. *External Auditors and Audits*

- (a) review with the Auditors the audit function generally, and the objectives, staffing, locations, co-ordination, and scope of proposed audits of the financial statements of the Company;
- (b) consider the independence and performance of the Auditors and annually recommend to the Board the appointment or discharge of the Auditor when circumstances are warranted and recommend to the Board the compensation of the Auditors;
- (c) review the annual external audit plan with the Auditors and with management and approve the audit plan engagement letter relating thereto, including associated fees
- (d) review any problems experienced or concerns expressed by the Auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- (e) review and evaluate any recommendations of the Auditors and decide the appropriate course of action;
- (f) provide an avenue of communication among the Auditors, management and the Board, and direct the Auditors to report directly to the Committee;
- (g) when there is to be a change of auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and related documentation required pursuant to *National Instrument 51-102—Continuous Disclosure Obligations* (or any successor legislation), with respect to a change of auditors and the planned steps for an orderly transition period;
- (h) review and approve the Company's hiring policies regarding employees and former employees of the present and former auditors;
- (i) review all material written communications between the Auditor and management; and
- (j) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of auditors;

4. *Risk Management*

- (a) review with management the process of identifying, monitoring and reporting the Company's risk management policies and procedures and the principal risks affecting financial aspects of the Company;
- (b) review with the Auditors and management, and monitor the management of, the principal risks that could affect the financial reporting of the Company;
- (c) establish and monitor procedures for information security and cyber risk protection for the Company;
- (d) review with management all related party transactions and the development of policies and procedures related to those transactions;
- (e) consider the amount and terms of any insurance to be obtained or maintained by the Company with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities;

5. *Financing and Other Matters*

- (a) review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial statements, including any prospectus, annual reports, annual information forms, MD&A and press releases announcing quarterly or annual financial results;
- (b) review findings, if any, from examinations or reviews performed by regulatory agencies with respect to financial matters;
- (c) review management's consideration of the Company's compliance with laws and regulations;
- (d) review management's assessment of current and expected future compliance with covenants under any financing agreements;
- (e) Approve dividends and distributions, material debt and equity financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions;
- (f) consider the appointments of the Chief Financial Officer;
- (g) in consultation with management understand the Company's capital structure and financial risks arising from exposure to such things as commodity prices, interest rates, foreign currency exchange rates and credit, and review the management of these risks including any proposed hedging of the exposures, including receiving a summary report of the hedging activities and hedge-related instruments.

Meetings and Operations

1. The Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair and whenever a meeting is requested by the Board, a member of the Committee, the Auditors, or an officer of the Company. Meetings of the Committee will correspond with the review of the quarterly and annual financial statements and the associated MD&A.
2. Notice of each meeting of the Committee shall be given to each member of the Committee and to the Auditors, who shall be entitled to attend each meeting of the Committee and who shall attend whenever requested to do so by a member of the Committee, at least 48 hours in advance of each meeting unless a short period is required in the circumstances.
3. Members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities, as permits 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.
4. A quorum for the transaction of business at a meeting of the Committee shall consist of two members of the Committee present.
5. In the absence of the Chair, the members of the Committee shall choose one of the members present to be chair of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
6. The Chief Executive Officer, the Chief Financial Officer and other members of senior management shall be invited to attend meetings of the Committee upon the request of the Committee; subject, however, to the requirement that the Committee (i) hold in camera sessions of the members of the Committee, without management representatives present at every meeting of the Committee, and (ii) meet with the Auditors separately and independent of management at every meeting at which the Auditors are in attendance.
7. Minutes shall be kept of all meetings of the Committee.

Authority and Reporting

1. In discharging its duties and responsibilities, the Committee shall have the authority to:
 - (a) inspect any and all of the books and records of the Company, its subsidiaries and affiliates;
 - (b) if determined necessary by the Committee, institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities;
 - (c) discuss with the management of the Company, its subsidiaries and affiliates and staff of the Company, any affected party, contractors and consultants of the Company and its Auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;
 - (d) engage independent counsel and other advisors (including a second firm of external auditors) as it determines necessary to carry out its duties; and

- (e) set and pay the compensation for any independent counsel and other advisors employed by the Committee.
2. The Committee shall after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

Other Matters

1. The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee by any member of the Board, a shareholder of the Company, the Auditors, or management.
2. The Committee will be provided with resources commensurate with the duties and responsibilities set out herein and assigned to it by the Board from time to time, including administrative support.
3. The Committee shall review, on an annual basis this mandate and recommend any changes to the Board.
4. The Committee will perform any other activities consistent with this mandate, the Company's articles and applicable laws as the Committee or the Board deems necessary or appropriate.

Scope and Reliance

1. While the Committee has the responsibilities, duties and authorities herein, it is not required to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate or are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditors. The Committee, its Chair and any of its members who have accounting or related financial management experience or expertise, are members of the Board, appointed to the Committee to provide broad oversight to the financial disclosure, financial risk and control related activities of the Company, and are specifically not accountable nor responsible for the day-to-day operation of such activities. Although designation of a member or members as being "financially literate" or a "financial expert" is based on each such individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, designation as being "financially literate" or a "financial expert" does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of any financially literate individual or financial expert, like the role of all Committee members, is to oversee the process and not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.
2. The Committee and each member of the Committee shall, absent actual knowledge to the contrary (which shall be promptly reported to the Board), be entitled to rely on (i) the integrity of those persons or organizations within and outside the Company from which it receives information, (ii) the accuracy of the information provided to the Committee by such persons or organizations, and (iii) representations made by management of the

Company, the Auditors of the Company, independent counsel, and other advisors and experts to the Company and its subsidiaries.

Pre-Approval Policies and Procedures

The Committee must approve all auditing services to be provided by the Auditor and non-audit services to be performed for the Company or any affiliated entities by the external auditor or any of their affiliates subject to any *de minimus* exception allowed by applicable law. The Committee may delegate to one or more designated independent members of the Committee the authority to pre-approve non-audit services, provided that any audit or non-audit services that have been pre-approved by any such delegate of the Committee must be presented to the Committee for ratification at its first scheduled meeting following such pre-approval.

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