



**AUDIT COMMITTEE CHARTER  
OF THE  
BOARD OF DIRECTORS  
OF  
TILL CAPITAL LTD. (THE “COMPANY”)**

The Audit Committee (the “Committee”) of the Company’s of the Board of Directors (“the Board”) shall be a standing committee of the Board and is responsible for assisting the Board in discharging its oversight responsibilities with respect to the following:

- The integrity of the Company’s financial statements.
- The Company’s compliance with legal and regulatory requirements.
- Understanding of the Company’s accounting and financial reporting process.
- The assessment of the independent auditors’ qualifications, independence, and performance of the financial statement audits.
- Such other matters as are enumerated herein in this Charter.

**COMMITTEE COMPOSITION, STRUCTURE, AND OPERATION**

1. The Committee shall be comprised of not less than three (3) Directors appointed annually by the Board, in consideration of the recommendation of the Nominating & Governance Committee. Committee members shall be appointed or reappointed at the meeting of the Board, following the Annual General Meeting of shareholders (the “AGM”), and, in the normal course of business, each Committee member will be reappointed to the Committee annually . Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed, or ceases to be a Director. The Board may fill a vacancy that occurs in the Committee at any time.
2. All members of the Committee shall be an independent under applicable securities laws and regulations and the rules of each exchange on which the Company’s securities are listed (the “Listing Requirements”).
3. At the Board meeting held following the AGM, the Board shall, in consideration of the

Nominating & Governance Committee recommendation, select one of the Committee members as the Chair of the Committee. The Committee Chair shall not be a former officer of the Company and shall serve as the liaison between the Committee and Management.

4. No Committee member shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. No Committee member may accept any consulting, advisory, or compensatory fee from the Company other than for Board and Committee service, and he or she may not be an employee of an affiliate of the Company.
5. All members of the Committee will be financially literate, as defined by the Listing Requirements. If, upon appointment, a member of the Committee is not deemed financially literate as required, the person will be provided a three-month period in which to achieve the required level of literacy. In general, for the purposes of this Charter, an individual is financially literate if he or she has 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.

At least one member of the Committee must be an "audit committee financial expert" as defined by the applicable Listing Requirements.

6. The Committee shall meet at least quarterly, provided that due notice is given and a majority of the members is present. Where an in-person meeting is not possible, resolutions in writing that are signed by all members of the Committee are as valid as if they had been passed at a duly held in-person meeting. The frequency and nature of the meeting agendas are dependent on business matters and affairs that the Company faces from time to time.
7. The Committee shall (a) report to the Board on its activities after each of its meetings, and (b) review and assess the adequacy of this Charter annually and, when appropriate, recommend changes to the Board for approval. The Committee shall also undertake and review with the Board an annual performance evaluation of the Committee members.

## **SPECIFIC DUTIES**

1. External Audit Firm:

- The Committee shall take such steps as it considers necessary to satisfy itself that the

Audit Firm is independent.

- The Committee shall recommend to the Board, for approval by the Company's shareholders, the retention of the registered public accounting firm (the "Audit Firm") for the purpose of preparing or issuing an Auditor's Report or performing other audit, review, or attest services for the Company.
- The Committee shall review and approve the terms of engagement of the Audit Firm. The Audit Firm shall report directly to the Committee.
- The Committee shall pre-approve all permitted non-audit engagements with the Audit Firm, subject to the de minimus exception for non-audit services as may be set forth by the Listing Requirements.
- The Committee shall review with Management and the Audit Firm any problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of the audit activities or requested information, and Management's response thereto. The Committee shall oversee the resolution of all disagreements between the Audit Firm and Management with respect to the Company's financial reporting, including disclosures.
- The Committee shall require the Audit Firm to provide it with timely reports of:
  - Critical accounting policies and practices to be used.
  - Alternative treatments of financial information within relevant accounting principles that have been discussed with Management, including the managements of any and all subsidiaries, ramifications of the use of such alternatives, and the treatment preferred by the Audit Firm.
  - Material written communications between the Audit Firm and Management, including the managements of any and all subsidiaries, such as management letters and schedules of unadjusted differences.
- The Committee shall evaluate the work of the Audit Firm, including the resolution of disagreements between Management and the Audit Firm, and the resolution thereof.
- The Committee has the authority to communicate and meet directly with the Audit Firm

without Management involvement. That authority extends to requiring the Audit Firm to report directly to the Committee.

- The Committee shall review and approve the Company's hiring policies with respect to the current and former partners and employees of any current or former Audit Firm of the Company.
- The Company shall be responsible for the payment of compensation to the Audit Firm.

## 2. Financial Statements and Disclosures:

- The Committee shall review and discuss the annual audited financial statements and quarterly financial statements with Management and, as applicable, the Audit Firm, including disclosures set forth in the "Management Discussion and Analysis", as well as other matters required to be communicated to the Committee by Management or the Audit Firm under general accepted auditing standards and the Company Bye-laws, Corporate Governance Guidelines, the Listing Requirements, and other applicable laws or regulations ("Governing Rules").
- The Committee shall review the Auditor's Report, if any, prepared in relation to the Company's financial statements. The Committee shall also review the Auditor's Report, if any, prepared in relation to the financial statements of the Company's subsidiary companies.
- The Committee shall review and discuss with Management the Company's annual and interim earnings press releases and review the type and presentation of information to be included therein as well as financial information provided to analysts and rating agencies, if any.
- At least annually and otherwise as deemed necessary and appropriate, the Committee shall review and discuss with Management and the Audit Firm:
  - The adequacy of the Company's internal controls and, in particular, the procedures that are in place for the preparation and review of the Company's financial information presented for public disclosure and the preparation of the Company's financial statements. The Committee shall also review and discuss with the Audit Firm any reports on the Company's internal controls, including any deficiencies noted

by the Audit Firm and Management's responses related thereto.

- Any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, analyses prepared by Management or the Audit Firm related to significant financial reporting issues and judgements, off-balance sheet structures, and the effect of regulatory and accounting initiatives on the Company's financial statements.
- Reports from Management with respect to the principal risks that could impact the Company's financial reporting.

The Committee shall review all major transactions e.g., acquisitions, divestitures, and capital raising.

3. Related Party Transactions. The Committee shall review with Management all related party transactions.
4. Whistleblower Allegations. The Committee shall establish procedures for:
  - The receipt, retention, and treatment of alleged improprieties received by the Company regarding accounting, internal accounting controls, or auditing matters.
  - The confidential and/or anonymous submission by employees of the Company or third parties with respect to alleged improprieties as regards to financial reporting and other operational matters.
5. Advisors. The Committee shall have the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties, and the Committee will set the compensation for such advisors. The costs for such advisors shall be paid by the Company.
6. Minutes. The Committee shall maintain minutes of each meeting of the Committee, to be prepared by a person designated by the Chair as the secretary of such meeting, which minutes shall be submitted for approval by the Committee. All minutes are to be filed with the Company's records. All minutes are to be made available to the Board.
7. Other Matters. The Committee shall review and report to the Board as to its concurrence with the disclosure required by Form 52-110F1 or any Listing Regulation in any management information circular, annual report, or annual information form prepared by the Company, as applicable.

8. Delegated Powers. The Committee shall have such other powers and duties as delegated to it by the Board.

**Adopted by the Board of Directors of Till Capital Ltd. on August 25, 2015.**