

**CHARTER**  
**OF**  
**THE AUDIT COMMITTEE**  
**OF**  
**FORACO INTERNATIONAL SA**

As Adopted by the Board of  
Directors on February 29, 2016

**FORACO INTERNATIONAL SA**  
**(the “Company”)**

**CHARTER OF THE AUDIT COMMITTEE**

The Audit Committee (the “Committee”) is a committee of the board of directors (the “Board”) of the Company. The role of the Committee, subject to applicable laws and obligations imposed by the French Code de Commerce and the Company’s constating documents, is to:

- (a) provide oversight of the Company’s financial management and of the design and implementation of an effective system of internal financial controls;
- (b) to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies, including:
  - (i) helping directors meet their responsibilities;
  - (ii) facilitating better communication between directors and the external auditor;
  - (iii) enhancing the independence of the external auditor;
  - (iv) increasing the credibility and objectivity of financial reports; and
  - (v) strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor;

While the Committee has the responsibilities and powers set forth in this Charter, management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them.

**Duties and Responsibilities**

The Committee will have the following duties and responsibilities:

*External Auditor*

- To recommend to the Board, for shareholder approval, an external auditor to examine the Company’s accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
- To recommend to the Board, the compensation of the external auditor.
- To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the

Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

- To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
  - (a) no member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
  - (b) no former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
  - (c) the CEO and the Vice-CEO must approve all office hires from the external auditor; and
  - (d) the CEO and the Vice-CEO must report annually to the Committee on any hires within these guidelines during the preceding year.
- To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

#### *Financial Information and Reporting*

- To review the Company's annual audited financial statements with the CEO and Vice-CEO and then the full Board. The Committee will review the interim financial statements with the CEO and Vice-CEO.
- To review and discuss with management and the external auditor, as appropriate:
  - (a) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and

- (b) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- To review with the CEO and the Vice-CEO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CEO and the Vice-CEO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

#### *Oversight*

- To review the internal audit staff functions, including:
  - (a) the purpose, authority and organizational reporting lines;
  - (b) the annual audit plan, budget and staffing; and
  - (c) the appointment and compensation of the controller, if any.
- To review, with the CEO and the Vice-CEO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- To review and monitor the Company's major financial risks and risk management policies, the effectiveness and efficiency of such policies, and the steps taken by management to mitigate those risks.
- To meet at least annually with management (including the CEO and the Vice-CEO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and Vice-CEO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

#### *Complaints*

- To establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

and review periodically with management and the internal auditors these procedures and any significant complaints received.

### **Membership**

- The Committee shall consist solely of three or more members of the Board, each of whom the Board has determined has no material relationship with the Company and is otherwise “independent” as required under applicable securities rules and applicable stock exchange rules.
- Members of the Committee shall be appointed from time to time by the Board and may be removed from office or replaced at any time by the Board. Any member shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board. The Board shall fill any vacancy whenever necessary to maintain a Committee membership of at least three directors.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- All members of the Committee must be “financially literate” (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

### **Procedures**

- The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the “Chair”). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- The Chair will appoint a secretary (the “Secretary”) who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.

- The Committee will meet at least once each fiscal quarter, and as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.
- The Company shall provide the Committee with the resources necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate, acting reasonably.
- The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the Vice-CEO such records and other matters considered appropriate.
- The Committee shall have the authority to seek any information it requires from employees – all of whom are directed to cooperate with the Committee's requests – or external parties.
- The Committee has the authority to communicate directly with the internal and external auditors.
- At the invitation of the Chair, individuals who are not members of the Committee may attend any meeting of the Committee.

## **Reports**

- The Committee shall produce the following reports and provide them to the Board:
  - (a) an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report; and
  - (b) a summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

## **Review of Charter**

- The Committee shall review and reassess the adequacy of this Charter as it deems appropriate and recommend changes to the Board.