



ACASTI PHARMA INC.

AUDIT COMMITTEE CHARTER

**Approved by the Board of Directors on
August 26, 2019**

AUDIT COMMITTEE CHARTER

I. Purpose

The purpose of the audit committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) of Acasti Pharma Inc. (the “**Corporation**”) in its oversight of:

- A. the integrity of the Corporation’s financial statements and related information;
- B. the Corporation’s compliance with applicable legal and regulatory requirements;
- C. the independence, qualifications, appointment and performance of the external auditor;
- D. the Corporation’s disclosure and internal controls;
- E. the Corporation’s enterprise risk management processes, credit worthiness, treasury and financial policies; and
- F. the Corporation’s whistle blower, complaint procedures and ethics policies.

In addition, the Committee shall prepare, if required, an audit committee report for inclusion in the Corporation’s annual management proxy circular, in accordance with applicable rules and regulations.

II. Duties and Responsibilities

The Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members (i) to plan or conduct audits, (ii) to determine that the Corporation’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles or (iii) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee, its Chair and its members are members of the Board of the Corporation, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities.

In particular, the Committee shall have the following duties and responsibilities:

A. *Financial reporting and control*

- 1. On a periodic basis, review and discuss with management and the external auditor the following:

- a. major issues regarding accounting principles and financial statement presentation, including any significant changes in the Corporation's selection or application of accounting principles, and issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;
 - b. analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the impact of selecting one of several international financial reporting standards (IFRS) on the financial statements when such a selection has been made in the current reporting period;
 - c. the effect of regulatory and accounting developments, as well as off-balance sheet arrangements, on the financial statements of the Corporation;
 - d. the type and presentation of information to be included in earnings press releases (including any use of pro-forma or non-IFRS information); and
 - e. any corporate governance issues which could significantly affect the financial statements;
 - f. all matters required to be communicated to the Committee under generally accepted auditing standards.
2. Meet to review and discuss with management and the external auditor, report and, where appropriate, provide recommendations to the Board on the following prior to its public disclosure:
- a. the Corporation's annual and interim consolidated financial statements and the related Management's Discussion and Analysis, Annual Information Forms, earnings press releases and earnings guidance provided to analysts and rating agencies and the integrity of the financial reporting of the Corporation;
 - b. any audit issues raised by the external auditor and management's response thereto, including any restrictions on the scope of the activities of the external auditor or access to requested information and any significant disagreements with management;
 - c. to the extent not previously reviewed by the Committee, all financial statements included in any prospectus or offering memoranda and all other financial reports required by regulatory authorities and/or requiring approval by the Board.

3. Review and discuss reports from the external auditor on:
 - a. all critical accounting policies and practices used by the Corporation;
 - b. all material selections of accounting policies when there is a choice of policies available under IFRS that have been discussed with management, including the ramifications of the use of such alternative treatment and the alternative preferred by the external auditor; and
 - c. other material written communications between the external auditor and management and discuss such communication with the external auditor.
4. Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures.

B. *Oversight of the external auditor*

1. Be responsible for overseeing the work of the external auditor and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required, and review, report and, provide recommendations to the Board on the appointment, terms and review of engagement, removal, independence and proposed fees of the external auditor.
2. Approve in advance all audit, review or attest engagement fees and terms for all audit, review or attest services to be provided by the external auditor to the Corporation and any consolidated subsidiary and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required.
3. Pre-approve all engagements for permitted non-audit services provided by the external auditor to the Corporation and any consolidated subsidiary and to this effect may establish policies and procedures for the engagement of the external auditor to provide to the Corporation and any consolidated subsidiary permitted non-audit services, which shall include approval in advance by the Committee of all audit/review and permitted non-audit services to be provided by the external auditor to the Corporation and any consolidated subsidiary.
4. Establish policies for the hiring of partners, employees and former partners and employees of the external auditor in order to protect the independence of the auditors.

5. At least annually, consider, assess, and report to the Board on:
 - a. the independence of the external auditor, including that the external auditor's performance of permitted non-audit services does not impair the external auditor's independence;
 - b. obtaining from the external auditor a written statement (i) delineating all relationships between the external auditor and the Corporation; (ii) assuring that lead audit partner rotation is carried out, as required by law; and (iii) delineating any other relationships that may adversely affect the independence of the external auditor; and
 - c. the evaluation of the lead audit partner, taking into account the opinions of management.
6. At least annually, obtain and review a report by the external auditor describing:
 - a. the external auditor's internal quality-control procedures;
 - b. any material issues raised by the most recent internal quality-control review, or peer review of the external auditor firm, 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 external auditor firm, and any steps taken to deal with any such issues.
7. Resolve any disagreement between management and the external auditor regarding financial reporting.
8. Review the annual audit plan with the external auditor.
9. At each Committee meeting and when required, meet with the external auditor in the absence of management.

C. *Oversight of the Corporation's internal control system*

1. Review and discuss with management and the external auditor, monitor, report and, where appropriate, provide recommendations to the Board on the following:
 - a. the Corporation's systems of internal controls over financial reporting;
 - b. compliance with the policies and practices of the Corporation relating to business ethics;
 - c. compliance by directors, officers and other management personnel with the Corporation's Disclosure Policy; and

- d. the relationship of the Committee with other committees of the Board, management and the Corporation's consolidated subsidiaries' audit committees.
2. Review and discuss with the Chief Executive Officer and Chief Financial Officer of the Corporation the process for the certifications to be provided in the Corporation's public disclosure documents.
3. Review, monitor, report, and, where appropriate, provide recommendations to the Board on the Corporation's disclosure controls and procedures.
4. Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submissions by employees regarding questionable accounting or auditing matters.
5. Meet periodically with management in the absence of the external auditor.

D. *Oversight of the Corporation's risk management*

1. Review, monitor, report and, where appropriate, provide recommendations to the Board on the following:
 - a. the Corporation's processes for identifying, assessing and managing risks;
 - b. the Corporation's major financial risks, including derivative and tax risks, and operational risk exposures and the steps the Corporation has taken to monitor and control such exposures;
 - c. the Corporation's major security risks and security trends that may impact the Corporation's operations and business;
 - d. the Corporation's business continuity plans, including work stoppage and disaster recovery plans; and
 - e. the Corporation's environmental risks, and environment trends that may impact the Corporation's operations and business.
2. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's compliance with internal policies and the Corporation's progress in remedying any material deficiencies related to:
 - a. security policies, including the physical safeguarding of corporate assets and security of networks and information systems; and
 - b. environmental policy and environmental management systems.

3. When appropriate, ensure that the Corporation's subsidiaries establish an environmental policy and environmental management systems, and review and report thereon to the Board.
4. Review with management the credit worthiness, liquidity and important treasury matters including financial plans of the Corporation.
5. Review all related party transactions and actual or potential conflicts of interest.

E. *Compliance with legal requirements*

1. Review and discuss with management and the external auditor, monitor, report and, when appropriate, provide recommendation to the Board on the adequacy of the Corporation's process for complying with laws and regulations.
2. Receive, on a periodic basis, reports from the Corporation's outside legal counsel, with respect to the Corporation's pending or threatened material litigation, including related legal expenses.

F. *Oversight and monitoring of audits*

1. The Committee shall review with the external auditors, the internal auditors and management the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements of the Corporation and its subsidiaries, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.
2. The Committee shall meet periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with management and the adequacy of management's responses in correcting audit-related deficiencies.
3. The Committee shall discuss with the external auditors any difficulties or disputes that arose with management or the internal auditors during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies.
4. The Committee shall review with management the results of internal and external audits.
5. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner

consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

G. Communications with others

In accordance with the Corporation's Whistleblower Policy, the Committee shall establish and monitor procedures for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters and the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management and the internal auditors these procedures and any significant complaints received.

H. Additional responsibilities

1. The Committee shall review and make recommendations to the Board concerning the financial structure, condition and strategy of the Corporation and its subsidiaries, including with respect to annual budgets, long-term financial plans, corporate borrowings, investments, capital expenditures, long term commitments and the issuance and/or repurchase of stock.
2. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

III. Evaluation of the Committee and Report to Board

- A. The Committee shall evaluate and review with the Board, on an annual basis, the performance of the Committee;
- B. The Committee shall review and discuss with the Board, on an annual basis, the adequacy of the Committee charter (the "**Charter**"); and
- C. The Committee shall report to the Board periodically on the Committee's activities.

IV. Outside advisors

The Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Committee in the performance of its functions. The Corporation shall provide appropriate funding for such advisors as determined by the Committee.

The Committee may select, or receive advice from, a consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following six factors:

- A. the provision of other services to the Corporation by the person or entity that employs the consultant, legal counsel or other adviser;

- B. the amount of fees received from the Corporation by the person or entity that employs the consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the consultant, legal counsel or other adviser;
- C. the policies and procedures of the person or entity that employs the consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- D. any business or personal relationship of the consultant, legal counsel or other adviser with a member of the Committee;
- E. any stock of the Corporation owned by the consultant, legal counsel or other adviser; and
- F. any business or personal relationship of the consultant, legal counsel, other adviser or the person employing the adviser with senior management of the Corporation.

The Committee may select, or receive advice from, any adviser they prefer, including ones that are not independent, after considering the six independence factors outlined above.

V. Composition

The Committee shall consist of such number of directors, in no event to be less than three, as the Board may from time to time by resolution determine. The members of the Committee shall meet the independence test and other membership requirements under applicable laws, rules and regulations and listing requirements as determined by the Board.

All members of the Committee must be “financially literate” (as that term is defined from time to time under the requirements or guidelines for audit committee service under securities laws and the rules of any stock exchange on which the Corporation’s securities are listed for trading or if it is not so defined as that term is interpreted by the Board in its business judgement) or must become financially literate within a reasonable period of time after their appointment to the Committee. At least one member of the Committee must also be a financial expert (as that term is defined from time to time under the requirements or guidelines for audit committee service under securities laws and the rules of any stock exchange on which the Corporation’s securities are listed for trading).

VI. Appointment and Replacement of Committee Members

Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on a Committee by appointing another director to the Committee. The Board shall 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 its power as long as a quorum remains in office. Subject to the foregoing, the members of the Committee shall be appointed by the Board annually and each member of a Committee shall remain on the Committee until the next annual

meeting of shareholders after his or her appointment or until his or her successor shall be duly appointed and qualified.

VII. Committee Chair

Unless a chair of the Committee (the “**Chair**”) is designated by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee. The Chair shall be responsible for leadership of the Committee assignments and reporting to the Board.

VIII. Conflicts of Interest

If the Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member shall be responsible for alerting the Chair. If the Chair faces a potential or actual conflict of interest, the Chair shall advise the Chair of the Board. If the Chair, or the Chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict shall disclose to the Committee the member’s interest and shall not participate in consideration of the matter and shall not vote on the matter.

IX. Service on Multiple Committees

If a Committee member serves on the audit committee of more than three public corporations, including the Corporation, the Board must determine that such service would not impair the ability of the member to effectively serve on the Committee.

X. Compensation of Committee Members

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. No member of the Committee shall receive from the Corporation or any of its affiliates any compensation other than the fees to which he or she is entitled as a director or a member of a committee of the Board of the Corporation or any of its affiliates.

XI. Meetings

The Committee shall meet regularly at times necessary to perform the duties described herein in a timely manner, but not less than four times a year and any time the Corporation proposes to issue a press release with its quarterly or annual earnings information. The Committee shall also meet without management present at every meeting. Meetings may be held at any time deemed appropriate by the Committee.

XII. Calling of Meetings

The Committee shall meet as often as it deems appropriate to discharge its responsibilities. Notice of the time and place of every meeting shall be given in writing, by any means of transmitted or recorded communication, including facsimile or other electronic means that produces a written copy, to each member of the Committee at least forty-eight hours prior to the time fixed for such meeting. However, a member may in

any manner waive a notice of a meeting. Attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. Whenever practicable, the agenda for the meeting and the meeting materials shall be provided to members before each Committee meeting in sufficient time to provide adequate opportunity for their review.

XIII. Quorum

Unless otherwise determined from time to time by resolution of the Board, two members of the Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by the Committee members, except where only two members are present, in which case any question shall be decided unanimously.

XIV. Chair of Meetings

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

XV. Secretary of Meetings

The Chair shall designate a person who need not be a member of the Committee to act as secretary or, if the Chair fails to designate such a person, the Corporate Secretary of the Corporation shall be secretary of the Committee. The agenda of the Committee meeting will be prepared by the secretary of the Committee and, whenever reasonably practicable, circulated to each member prior to each meeting.

XVI. Minutes

Minutes of the proceedings of the Committee shall be kept in a minute book provided for that purpose. The minutes of the Committee meetings shall accurately record the discussions of and decisions made by the Committee, including all recommendations to be made by the Committee to the Board and shall be distributed to all Committee members.

XVII. Separate Executive Meetings

The Committee shall meet periodically with the Chief Financial Officer, the head of the internal audit function (if other than the Chief Financial Officer) and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without management present.

XVIII. Professional Assistance

The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee's duties at the Corporation's expense.

XIX. Reliance

Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any information technology, internal audit and other non-audit services provided by the external auditors to the Corporation and its subsidiaries.

XX. Record Keeping and Reporting to the Board

The Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board through the Chair as appropriate and in compliance with this Charter.

XXI. Outsiders May Attend Meetings

The Committee may ask members of management or others to attend meetings or provide information as necessary. The Corporation's independent auditors will have direct access to the Committee at their own initiative.

XXII. Powers

The Committee shall have the following powers:

- (a) *Access* - The Committee is entitled to full access to all books, records, facilities, and personnel of the Corporation and its subsidiaries. The Committee may require such officers, directors and employees of the Corporation and its subsidiaries and others as it may see fit from time to time to provide any information about the Corporation and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee.
- (b) *Delegation* - The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.
- (c) *Adoption of Policies and Procedures* - The Committee may adopt policies and procedures for carrying out its responsibilities.

XXIII. Review of Charter

The Committee will, from time to time, review and assess the adequacy of this Charter and recommend any proposed changes for consideration. The Board may amend this Charter, as required.

The Committee shall ensure that this Charter is disclosed on the Corporation's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements in the annual proxy circular or annual report of the Corporation.

AS AMENDED AND RESTATED ON August 26, 2019