



ADA-ES AUDIT COMMITTEE CHARTER

- I. **Purpose.** The Audit Committee (“Committee”) is appointed by the Board of Directors of the Company (“Board”) to oversee the accounting and financial reporting processes of the Company and the audit of the Company’s financial statements. In this oversight role, the Committee monitors the integrity of the Company’s financial statements, the independent auditor’s qualifications and independence, the performance of the Company’s independent auditors, compliance by the Company with legal, ethical and regulatory requirements and the Company’s processes to identify and manage business and financial risk.
- II. **Composition.** The Committee must be comprised of three or more directors as determined by the Board. Committee members, including the Chairperson of the Committee, shall be appointed by the Board on an annual basis upon the recommendation of the Nominating and Governance Committee and may be removed by the Board at any time. The members of the Committee shall meet the independence requirements of applicable laws, regulations and rules of the Nasdaq Stock Market.¹ In appointing committee members, the Board must find that each member has the ability to read and understand fundamental financial statements, that at least one member is an “audit committee financial expert” as defined by the rules and regulations of the Securities and Exchange Commission and that at least one member, who may also be the financial expert, meets the financial sophistication standard required by Nasdaq. No individual who has participated in the preparation of the Company’s financial statements during the preceding three years is eligible to serve on the Committee. The Committee shall select a Chairperson from among its members who shall serve for a term of not less than one year.
- III. **Meetings and Operations.** The Committee shall meet at least on a quarterly basis and at such additional times as may be deemed necessary or appropriate by the Chairperson and at such times and places and by such means as the Chairperson determines. Each regularly scheduled meeting will conclude with an executive session without management present. The Committee shall keep adequate and accurate minutes of all meetings and Committee members will be furnished with copies of the minutes of each meeting and any action taken by written consent. The Committee shall report regularly to the Board with respect to its activities (no less often than at each regularly scheduled meeting of the Board). A majority of the members of the Committee shall constitute a quorum.

¹ Under exceptional and limited circumstances, the Board may appoint a member of the audit committee that does not meet the Nasdaq’s independence requirements if such individual’s membership is required by the best interests of the Company and its shareholders. Such member must, however, meet the SEC’s independence criteria under Section 10A(m)(3) of the Exchange Act and rules thereunder and must not be an officer or employee or a family member of an officer or employee. If such a member is appointed, he or she may serve for no more than two years and may not serve as Chairperson. In addition, the Company must disclose in its annual proxy statement the basis for the Board’s determination and the nature of the individual’s relationship to the Company.



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The Committee shall be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of this Charter, (b) any provision of the Bylaws of the Company, or (c) applicable laws.

IV. Communication. The independent auditor shall report directly to the Committee. The Committee shall meet periodically in separate executive sessions with management and the independent auditor and have such other direct and independent communication with such persons from time to time as Committee members deem appropriate. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend Committee meetings or to meet with any members of or consultants to the Committee.

V. Authority.

A. Independent Auditor

1. The Committee has the sole authority to appoint, compensate, retain and oversee the performance of Company's independent auditor, subject to shareholder ratification if applicable.

2. The Committee shall pre-approve all auditing services, internal control-related services and permitted non-audit services to be performed by the independent auditor, subject to the *de minimis* exception for non-audit services approved by the Committee prior to completion of the audit pursuant to Section 10A(i)(1)(B) of the Exchange Act. The Committee may delegate this pre-approval to a subcommittee of one or more members. Any such subcommittee must report any pre-approvals to the full Committee at its next meeting.

B. Other Advisors

1. The Committee has the sole authority to engage and compensate independent legal, accounting and other advisors to the Committee. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

C. Resources

1. The Company shall provide the Committee with appropriate resources to ensure that Committee members maintain appropriate financial literacy, receive



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appropriate orientation briefings and educational resources related to accounting principles, procedures and current accounting topics relevant for the Company.

2. The Committee may investigate any matter brought to its attention, and the Company shall cooperate with the Committee and provide the Committee with sufficient resources to conduct such investigation.

3. The Company shall provide the funding that the Committee determines is appropriate for the independent auditors and advisors to the Committee.

4. The Company shall provide funding for ordinary administrative expenses of the Committee that are necessary or appropriate in connection with its duties.

VI. Responsibilities

1. The Committee's specific responsibilities in fulfilling its oversight role are set forth in the Audit Committee Responsibilities Calendar, which is an addendum to and an integral part of this Charter. The Committee will review and update the Calendar annually to reflect changes in regulatory requirements and authoritative guidance.

2. The Committee relies on the expertise and knowledge of management and the independent auditors in carrying out its oversight responsibilities. The independent auditor is responsible for planning and conducting audits, and the Company's management is responsible for determining that the financial statements are complete, accurate and prepared in accordance with generally accepted accounting principles. The Committee is not responsible for these tasks.