

# ChromaDex Corporation

## Audit Committee Charter

### Section 1. Purpose

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of ChromaDex Corporation (the "Company") shall provide assistance to the Board in fulfilling its responsibilities to the Company and to its shareholders, the investment community and other stakeholders with respect to its oversight of the following:

1. The quality and integrity of the Company's accounting and reporting practices and controls, and the financial statements and reports of the Company;
2. The Company's compliance with legal and regulatory requirements;
3. The independent auditor's qualifications and independence; and
4. The performance of the Company's internal audit function and independent auditors.

The Committee will fulfill these responsibilities primarily by carrying out the activities enumerated in Section IV of this Charter.

### Section 2. Composition

The Committee shall be comprised of three or more members of the Board, each of whom shall be determined by the Board to be "independent" under the rules of Marketplace Rule 4350(d)(2) of the NASDAQ Stock Market, Inc., Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act"), and any other applicable listing or legal requirements, including the more rigorous independence requirements applicable specifically to audit committee members.

All members of the Committee shall have a working familiarity with basic finance and accounting practices, and the chair of the Committee shall be an "audit committee financial expert" as defined by the Securities and Exchange Commission. Committee members shall have other such qualities as the Board determines appropriate.

The members of the Committee shall be recommended by the Nominating and Governance Committee and appointed by the Board at the annual organizational meeting of the Board and shall serve until the next such organizational meeting of the Board or until their successors shall be duly elected and qualified. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote of the full Committee membership. The Chairperson will chair all regular sessions of the Committee and set the agenda for the Committee meetings.

### Section 3. Meetings

The Committee shall meet at least four times annually, or more frequently as their responsibilities dictate. As part of its job to foster open communication, the Committee shall, at least annually, meet separately with management, the director of the internal audit department and the independent auditors to discuss any matters that the Committee or any of

these groups believes should be discussed privately. In addition, the Committee should meet with the independent auditors and management quarterly to review the Company's financial statements and reports consistent with Section IV below. The Committee may meet in person or telephonically at any time.

All members of the Board who are not members of the Committee may attend meetings of the Committee but may not vote. The Committee may invite to its meetings any management or other personnel of the Company, or any third parties, as it deems appropriate in order to carry out its responsibilities.

## **Section 4. Responsibilities and Duties**

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate. The Committee shall have the authority to retain outside legal, accounting or other advisors for this or any other purpose, including the authority to approve the fees payable to such advisors and any other terms of retention.

The Committee shall be given full access to the Company's internal audit group, management, personnel and independent auditors as necessary to carry out these responsibilities. While acting within the scope of its stated purpose, the Committee shall have the authority of the Board.

To fulfill its responsibilities and duties the Committee shall:

### **Part A. Documents/Reports Review**

1. Review with management and the independent auditors, prior to public dissemination, the Company's annual audited financial statements and any quarterly financial statements and reports, including the Company's disclosures under the "Management's Discussion and Analysis of Financial Condition and Results of Operations" of periodic reports filed under the Exchange Act and recommend to the Board whether the financial statements should be included in such reports and conduct a discussion with the independent accountants of the matters required to be discussed by Statements on Auditing Standards Nos. 61 and 71, as applicable; and
2. Review and discuss with management and the independent auditors the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies.
3. Review and discuss any other written communications between the independent auditors and management such as any management letter or schedule of unadjusted differences.
4. Review and approve the Audit Committee Report appearing in the Company's proxy filings with the Securities and Exchange Commission and any other filings required by applicable law or regulation.

### **Part B. Independent Auditors**

1. Retain (and terminate, as the case may be) the Company's independent auditors (subject to shareholder ratification) and approve all audit engagement fees and terms;

2. Oversee the work of any registered public accounting firm employed by the Company, including the resolution of any disagreement between management and the independent auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related work;
3. Approve, in advance, any audit and any permissible non-audit engagement or relationship between the Company and the independent auditors;
4. Review at least annually the qualifications, performance and independence of the independent auditors. In conducting its review and evaluation, the Committee should:
  - a. Obtain and review a report by the Company's independent auditors describing: (i) the auditing firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing 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 auditing firm, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the Company (so as to enable the assessment of the independent auditors' independence);
  - b. Ensure the rotation of the lead audit partner and reviewing partner on at least that schedule required by the Securities and Exchange Commission, the Public Accounting Oversight Board or any other applicable authority. As part of its review, the Committee shall confirm with any independent auditors providing audit services in any fiscal year that the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has not performed audit services for the Company in any of the five previous fiscal years of the Company;
  - c. Take into account the opinions of management and the Company's internal auditors (or of other personnel responsible for their internal audit function);
  - d. Receive from the independent auditors such written statements as required by Independence Standards Board State No. 1 or any other applicable rules, and recommend to the Board and/or management such action it deems appropriate to ensure the independence of the external auditors;
  - e. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit;
  - f. Review with the independent auditors any audit problems or difficulties and management's response; and
  - g. Set clear hiring policies to be implemented by the Company for employees or former employees of the independent auditors to ensure independence if any.

## **Part C. Financial Reporting Process and Controls**

1. Review, in consultation with the independent auditors and the internal auditors the integrity of the Company's internal and external financial reporting processes and controls. In this regard, the Committee should obtain and discuss with management and the independent auditors all reports from management and the independent auditors regarding: (i) all critical accounting policies and practices to be used by the Company; (ii) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Company's management, the ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the independent auditors; (iii) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of the accounting principles; (iv) major issues as to the adequacy of the Company's internal controls and any specific audit steps adopted in the light of material control deficiencies; and (v) any other material written communications between the independent auditor and the Company's management;
2. Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures (if any), on the financial statements of the Company;
3. Establish regular systems of reporting to the Committee by each of management, the independent auditors and the internal auditors regarding any significant judgments made in management's preparation of the financial statements and any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to requested information;
4. Review any significant disagreement between management and the independent auditors or the internal auditing department in connection with the preparation of the financial statements and management's response to such matters; and
5. Review and discuss with the independent auditors the responsibilities, budget and staffing of the Company's internal audit function.
6. Review the appointment and replacement of the senior internal auditing executive.

#### **Part D. Legal\Compliance\General**

1. Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements or operations;
2. Obtain reports from management, the Company's senior internal auditing executive and the independent auditor that the Company and its subsidiary/foreign affiliated entities are acting in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics. Review reports and disclosures of insider and affiliated party transactions.
3. Report regularly to the Board:

- a. with respect to any issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements and with the Company's Code of Ethics or correspondence with regulators or governmental agencies, the performance and independence of the Company's independent auditors or the performance of the internal audit function;
  - b. following all meetings of the Committee; and
  - c. with respect to such other matters that are relevant to the Committee's discharge of its responsibilities; and
  - d. Maintain minutes or other records of meetings and activities of the Committee.
4. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
  5. Review and approve any proposed transaction between the Company and any director or executive officer, or any related person or entity to such director or officer where the amount involved exceeds \$120,000 (other than ordinary employment relationships).

#### **Part E. Annual Performance Evaluation**

The Committee shall perform a review and evaluation, at least annually, of its performance and its members, including reviewing the compliance of the Committee with this Charter. In addition the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. To the extent there are any changes to this Charter, the revised Charter shall be filed as an appendix to the Company's proxy statement at its next scheduled annual meeting. The Board shall also issue an annual evaluation of the Committee's performance.