CONSOLIDATED WATER CO. LTD.

AUDIT COMMITTEE CHARTER

(As Revised - Effective August 18, 2015)

Purpose

The Audit Committee of Consolidated Water Co. Ltd. (the "Company") acts on behalf of the Board of Directors to oversee all material aspects of the Company's financial reporting, internal controls and audit functions, including but not limited to, reviewing the financial information to be provided to the Company's shareholders, reviewing the Company's systems of internal controls, and selecting and evaluating the Company's independent registered public accountants ('independent auditors"). Consistent with this purpose, the Audit Committee shall encourage continuous improvement of, and foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee shall provide assistance to the Company's Board of Directors of the Company in fulfilling their responsibility to the shareholders and investment community relating to corporate accounting, the financial and public reporting for the Company, the Company's system of internal controls, and the external audit process. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication between the Board of Directors, the independent accountants, and the financial management of the Company. In discharging its oversight role, the Audit Committee is empowered to investigate and have oversight of any investigation with full access to all books, records, facilities and personnel of the Company.

Membership

The Audit Committee shall be composed of not less than three (3) directors of the Company, each of whom is "independent" or otherwise eligible to serve as described in the rules of the NASDAQ Stock Market, Inc. ("NASDAQ") and the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder, as in effect from time to time. All Audit Committee members shall be financially literate, and at least one member shall qualify as an "audit committee financial expert," as such term is defined in the Instructions to paragraph (h)(1) of Item 401 of Regulation S-K of the Act, as in effect from time to time.

Following each annual general meeting of shareholders, the members of the Audit Committee shall be elected by the Board of Directors of the Company to serve and they shall serve until their qualified successors shall be duly elected or until their earlier resignation and removal. Unless the chairperson of the Audit Committee is elected by the Board of Directors of the Company, the members of the Audit Committee may designate a chairperson by a majority vote of the full Audit Committee membership. The Chairperson of the Audit Committee shall be an "independent" director under the NASDAQ rules, as well as the Act and the rules and regulations promulgated thereunder.

Meetings

The Audit Committee shall hold meetings at least quarterly but more frequently if necessary. The Chairperson of the Audit Committee has the authority and responsibility to call an Audit Committee meeting in person or by conference call whenever he or she deems it necessary. Audit Committee agendas shall be the responsibility of the Chairperson, with input from the other members of the Audit Committee. The Audit Committee may designate subcommittees of one or more of its members to report to the full Audit Committee. The majority of the members of the Audit Committee shall constitute a quorum.

Minutes of the meetings of the Audit Committee shall be prepared by the Chairperson or his or her designee and maintained at the Company's principal office. Draft minutes of prior meetings shall be circulated to members for approval during Audit Committee meetings. Resolutions by the Audit Committee may also be adopted by unanimous written consent of all members.

Duties and Responsibilities

The duties and responsibilities of the Audit Committee shall include:

1) A periodic reassessment of this Charter and, upon completion of such reassessment, the submission of this Charter to the Board of Directors for their review and approval. This reassessment and approval process shall be performed at least once every three years, but shall be undertaken on a more frequent basis if necessary due to changes in circumstances or changes in the requirements placed upon the Audit Committee by the United States Securities and Exchange Commission, NASDAQ, or other authoritative/regulatory entities.

2) Annual selection of the independent auditors and approval of the fees charged by such auditors to perform (i) the audit of the Company's annual financial statements included in the Company's annual filing on Form 10-K; (ii) reviews of the Company's interim financial statements included in the Company's quarterly filings on Form 10-Q; and (iii) any audits of the Company's subsidiaries and affiliates. This selection of independent auditors should include a review of the scope of the proposed audit for the current year and timely review of the Company's quarterly reports, including the coordination of audit effort with management to assure the effective use of all Company financial personnel and resources.

3) Annual evaluation of the performance of the independent auditors. Pursuant to the professional standards for audit committees and independent auditors, upon completion of the annual audit the Audit Committee shall obtain written correspondence from the independent auditors to address the following audit-related matters:

    a) <u>Discussion of Significant Audit Strategy Changes and Changes to Significant Risks</u> – The auditors should communicate to the Audit Committee significant changes to the planned audit strategy or the significant risks identified and the reasons for such changes.

    b) <u>Significant Accounting Policies and Practices</u> – The auditors should determine that the Audit Committee is informed about the initial selection of and changes in significant accounting policies or the application of such policies in the current period and the effect on the financial statements or disclosures of significant policies in controversial areas and areas for which there is a lack of authoritative guidance. Additionally, the auditors should communicate all alternative treatments permissible pursuant to accounting principles generally accepted in the United States for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditor. The auditors should also communicate the results of the auditors' evaluation of, and conclusions about, the qualitative aspects of the Company's significant accounting policies and practices, including situations in which the auditor identified bias in management's judgments about the amounts and disclosures in the financial statements.

    c) <u>Critical Accounting Policies and Practices</u> – The auditors should discuss with the Audit Committee all critical accounting policies and practices, including the reasons certain policies and practices are considered critical, and how current and anticipated future events might affect the determination of whether certain policies and practices are considered critical. Critical accounting policies and practices are those that are both most important to the portrayal of the company's financial condition and results, and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. Critical accounting policies and practices might change from year to year. The auditor should also communicate the auditor's assessment of management's disclosures related to the critical accounting policies and practices, along with any significant modifications to the disclosure of those policies and practices proposed by the auditor that management did not make.

d) Critical Accounting Estimates – The Audit Committee should be informed by the auditors about the process used by management in formulating critical accounting estimates, including significant assumptions used and any significant changes management made to the processes used to develop critical accounting estimates or significant assumptions, a description of management's reasons for the changes, and the effects of the changes on the financial statements. The auditors should also communicate the results of the auditors' evaluation of the differences between (i) estimates best supported by the audit evidence and (ii) estimates included in the financial statements, which are individually reasonable, that indicate a possible bias on the part of the Company's management. The basis for the auditors' conclusions regarding the reasonableness of the critical accounting estimates should also be communicated.

e) Significant Unusual Transactions – The auditors should communicate the policies and practices management used to account for significant unusual transactions, including those outside the normal course of business or that otherwise appear to be unusual due to their timing, size or nature. The auditor should also communicate the auditor's understanding of the business rationale for such transactions.

f) Adoption of New Accounting Standards That Are Not Yet Effective – The Audit Committee should be informed about situations in which the auditors identified a concern regarding management's anticipated application of accounting standards that have been issued but are not yet effective and might have a significant effect on future financial reporting.

g) Uncorrected and Corrected Misstatements – The auditors should provide the Audit Committee with the schedule of uncorrected misstatements related to accounts and disclosures that the auditors presented to management in connection with their audit or review of the Company's financial statements. The auditors should discuss with the Audit Committee (or determine that management has adequately discussed with the Audit Committee) the basis for the determination that the uncorrected misstatements were immaterial, including the qualitative factors considered. The auditors also should communicate that uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if the auditors have concluded that the uncorrected misstatements are immaterial to the financial statements under audit. The auditors should also communicate to the Audit Committee those corrected misstatements, other than those that are clearly trivial, related to accounts and disclosures that might not have been detected except through the auditing procedures performed, and discuss with the Audit Committee the implications that such corrected misstatements might have on the Company's financial reporting process.

h) Disagreements with Management – The auditors should communicate to the Audit Committee any disagreements with management about matters, whether or not satisfactorily resolved, that individually or in the aggregate could be significant to the Company's financial statements or the auditors' report. Disagreements with management do not include differences of opinion based on incomplete facts or preliminary information that are later resolved by the auditors obtaining additional relevant facts or information prior to the issuance of the auditors' report.

i) Difficulties Encountered in Performing the Audit – Significant difficulties encountered in dealing with management that related to the performance of the audit are required to be brought to the attention of the Audit Committee, including matters that are contentious for which the auditors consulted outside the engagement team and the auditors reasonably determined are relevant to the Audit Committee's oversight of the financial reporting process.

j) Fraud and Illegal Acts – The Audit Committee should be adequately informed of fraud and illegal acts coming to the auditors' attention during the course of the audit.

k) Independence and Non-Audit Services – The Audit Committee should be provided with a description of the types of non-audit services rendered during the year and total fees received for such services and should receive a confirmation from the auditors that they are independent accountants with respect to the Company, within the meaning of the Securities Acts administered by the Securities and Exchange Commission, and the requirements of the Public Company Accounting Oversight Board.

l) Other Matters – The auditors should communicate to the Audit Committee other matters arising from the audit that are significant to the oversight of the Company's financial reporting process. This communication includes, among other matters, complaints or concerns regarding accounting or auditing matters that have come to the auditors' attention during the audit and the results of the auditors' procedures regarding such matters.

4) Reviewing and discussing with management and the independent auditors each proposed Company filing on Form 10-K and Form 10-Q for completeness and accuracy. Upon completion of this review, and assuming the Audit Committee concludes (based upon their knowledge of the Company) such filings (i) do not contain any untrue statement of a material fact;(ii) omit to state a material fact and (iii) otherwise appear to be accurate and complete, the Audit Committee shall formally approve the Company's filing of the respective Form 10-K or 10-Q by means of a resolution documented in the Audit Committee minutes.

5) Maintaining a clear understanding with the independent auditors that they are accountable to the Audit Committee who, as the shareholders' representatives, have the ultimate authority in deciding to engage, evaluate, and if appropriate, terminate their services.

6) Reviewing and approving the engagement of any firm(s) the Company proposes to utilize to assist with management's design, maintenance, and assessment of the effectiveness of internal control over financial reporting.

7) Annually reviewing the adequacy and effectiveness of the Company's accounting and financial reporting controls with the independent auditors, the Company's financial management, and any firms hired to assist with management's assessment of such controls.

8) Periodic reassessment of the following policies and programs of the Company and, upon completion of such reassessment, the submission of these policies and programs to the Board of Directors for their review and approval. This reassessment and approval process shall be performed at least once every three years, but shall be undertaken on a more frequent basis if necessary due to changes in circumstances:

   a) Code of Business Conduct and Ethics
   b) Ethics Program
   c) Insider Trading and Disclosure of Non-Public Information
   d) Anti-Discrimination and Harassment
   e) Anti-Fraud
   f) Use of Company Assets and Resources
   g) Electronic Communications

9) Periodic reassessment of the Company's accounting policies and, upon completion of such reassessment, the submission of these policies to the Board of Directors for their review and approval. This reassessment and approval process shall be performed at least once every three years, but shall be undertaken on a more frequent basis if necessary due to changes in circumstances:

10) Providing sufficient opportunity for the independent (and internal, if any) auditors to meet with the members of the Audit Committee without members of management present to discuss the independent auditors' evaluation of the Company's financial and accounting personnel, the cooperation that the independent auditors (if any) received during the course of the audit and other matters, as necessary.

11) Reviewing and approving any proposed engagement of the independent auditors to provide non-audit services. The Audit Committee shall consider whether the independent auditors' performance of such services, together with any other non-audit services being performed, is compatible with the auditors' independence.

12) Periodically reviewing (at least once every three years) human resources and succession planning for the Company's accounting department.

13) Providing reports on the activities and meetings of the Audit Committee at the meetings of the Board of Directors.

14) Reviewing all material potential “related party transactions” for possible conflicts of interest. For purposes of this provision, “related party transactions” refer to transactions required to be disclosed pursuant to Item 404 of Regulation S-K promulgated under the Act.

15) Providing the Audit Committee Report to shareholders included in the Company’s proxy statement for its annual general meeting of shareholders.

16) Performing an annual review of Audit Committee’s performance (either separately or as part of the Board evaluation performed by the Nominations and Corporate Governance Committee) with respect to:

    a) overall effectiveness in complying with this Charter’s duties and responsibilities.
    b) individual committee members’ abilities, qualifications and effectiveness.
    c) qualifications of the committee’s financial expert (according to the NASDAQ requirements).
    d) tenure of the Chairperson and his/her ability and willingness to continue in the position.

17) Approving all audit, review and attest services performed by firms other than the Company's principal auditor.

Term and Succession

Generally, each Audit Committee member should serve for a term of three years. This three year guideline does not apply to the “Financial Expert” of the Audit Committee, who may serve for longer than three years.