

## CHARTER OF THE AUDIT COMMITTEE

This charter document (the “**Charter**”) will govern the appointment, composition, duties and the working of the Audit Committee (the “**Committee**”) of Tecnotree Corporation (“**Tecnotree/Company**”) and will be treated as the reference document for the Committee.

### **1. OBJECTIVE**

- 1.1. The objective of the Committee is to supervise the financial reporting executed by the Management, monitor the financial statement and interim reporting process and to discharge such mandatory auditing duties as prescribed under applicable law.

### **2. ELIGIBILITY, APPOINTMENT AND COMPOSITION OF THE COMMITTEE**

- 2.1. The members of the Committee shall have sufficient expertise and experience in matters forming part of the Committee’s duties, including but not limited to evaluating the Company’s internal accounting function, the internal and external audit function and the Company’s operating environment.
- 2.2. The majority of the Committee shall be independent of the Company and at least one (1) member shall be independent of the Company’s significant shareholders. The CEO, CFO and other executives of the Company cannot be appointed as members of the Committee.
- 2.3. The CFO of the Company will act as the Secretary of the Committee. The Secretary’s task will be to participate in the preparations for the meetings and to prepare the minutes of the meeting.
- 2.4. The Board of Directors of Tecnotree Corporation (the “**Board**”) shall appoint from amongst its directors the Chairman and the members of the Committee.
- 2.5. The Committee shall comprise of a minimum of three (3) members.

### **3. ROLE OF THE COMMITTEE**

- 3.1. The role of the Committee shall be as follows:

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- i. Monitor and assess the finance reporting system;
- ii. Monitor and assess the efficiency of internal control, audit and the risk management systems;
- iii. Monitor and assess how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and arms-length terms;
- iv. Monitor and evaluate the independence of the auditor and, in particular, the offering of services other than auditing services by the auditor; and
- v. Monitor the Company's auditing; and
- vi. Make recommendations for the appointment of the Company's auditor.

#### 4. DUTIES OF THE COMMITTEE

The Committee shall convene at least 4 (four) times a year to discuss matters and issues solely pertaining to discharging its role and duties as specified under this Charter.

The main duties of the Committee are as follows:

- i. Monitor the financial position of the Company;
- ii. Supervise the financial reporting process and risk management process;
- iii. Ensure the proper functioning of the corporate governance of the Company;
- iv. Evaluate the use and presentation of alternative performance measures;
- v. Approve the operating instructions for internal audit;
- vi. Handle the plans and report of the internal audit function;
- vii. Evaluate the processes aimed at ensuring compliance with laws and regulations;
- viii. Communicate with the auditor in addition to the duties required by regulation;
- ix. Monitor the Company's funding and tax position;
- x. Monitor the significant financial, funding, and tax risks;
- xi. Monitor the processes and risks relating to IT security;
- xii. Handle the Company's corporate governance statement and non-financial report;
- xiii. Work with the CEO and CFO of the Company, and further direct the CEO and CFO in relation to taking any necessary steps as felt appropriate by the Committee; and
- xiv. Pass resolutions and monitor any special issues allocated by the Board and falling within the competence of the Committee (such as issues relating to the Company's procedures and/or specific risks).

## 5. WORKING OF THE COMMITTEE

- i. The Committee shall convene regularly, as invited by the Chairman of the Committee.
- ii. The Committee shall be considered to have quorum when a majority of the Committee members, including the Chairman, are present. The Company's CEO, CFO and other members of the management may attend the meetings.
- iii. The Committee shall have the authority to request reports relating to any of the duties within the scope of its responsibility.
- iv. The Committee shall regularly report its activities to the Board of Directors.