

ALSONS CONSOLIDATED RESOURCES, INC.
BOARD OF DIRECTORS
CHARTER OF THE AUDIT COMMITTEE

Purpose

The Board of Directors (the “Board”) of Alsons Consolidated Resources, Inc. (the “Company”) established the Audit Committee (the “Committee”) to enhance the Board’s oversight capability over the Company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

Membership / Structure

The Committee shall be composed of at least five (5) appropriately qualified Directors, the majority of which should be non-executive Directors. All of the members of the Committee shall have the relevant background, knowledge, skills, and/or experience in the areas or accounting, auditing and finance. The Committee’s chairman should be an independent director, and not be the chairman of the Board or of any other committee.

Powers and Duties

The Committee has the following duties and responsibilities, among others:

- (a) Recommends the approval of the internal audit charter, which formally defines the role of internal audit and the audit plan, and oversees the implementation of the internal audit charter;
- (b) Through the internal audit department, monitors and evaluates the adequacy and effectiveness of the Company’s internal control system, integrity of financial reporting, and security of physical and information assets;
- (c) (i) Oversees the internal audit department; (ii) recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive; and (iii) approves the terms and conditions for outsourcing internal audit services;
- (d) Establishes and identifies the reporting line of the internal auditor to enable him/her to properly fulfill his/her duties and responsibilities;
- (e) Reviews and monitors management’s responsiveness to the internal auditor’s findings and recommendations;
- (f) Prior to the commencement of the audit, discusses with the external auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- (g) (i) Evaluates and determines the non-audit work, if any, of the external auditor, and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the Company’s overall consultancy expenses; (ii) disallows any non-audit work that will conflict with the external auditor’s duties as an external auditor or may pose a threat to his/her independence;
- (h) Reviews and approves the interim and annual financial statements before submission of the same to the Board with particular focus on the following matters:
 - (i) Any change/s in accounting policies and practices;
 - (ii) Areas where a significant amount of judgment has been exercised;
 - (iii) Significant adjustments resulting from the audit;
 - (iv) Going concern assumptions;

- (v) Compliance with accounting standards;
- (vi) Compliance with tax, legal and regulatory requirements;
 - (i) Reviews the disposition of the recommendations in the external auditor's management letter;
- (j) (i) Performs oversight functions over the Company's internal and external auditors; and (ii) ensures the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- (k) Coordinates, monitors, and facilitates compliance with laws, rules and regulations;
- (l) Recommends to the Board the appointment, reappointment, removal, and fees of the external auditor, who should be duly accredited by the Securities & Exchange Commission, and who shall undertake an independent audit of the Company, and provide an objective assurance on the manner by which the financial statements are prepared and presented to the stockholders; and
- (m) In case the Company does not have a risk oversight committee and/or related party transactions committee, performs the functions of said committees.

Procedures

The Committee meets with: (a) the Board at least once every quarter; and (b) the head of the internal audit periodically. At any meeting of the Committee, quorum shall consist of a majority of the members of the Committee present throughout the meeting. A meeting shall not proceed in the absence of a quorum.

Reporting Process

Resolutions of the Committee shall be reported and submitted to the Board at the meeting held next after they have been taken, and such resolutions shall be considered ratified by the Board unless otherwise expressly revoked.

Resources

The Committee shall have access to all relevant information, data, records, properties and personnel of the Company. The corporate secretary, compliance officer, and other personnel of the Company shall provide the Committee the necessary support and assistance. The members of the Committee shall be paid a reasonable remuneration approved by the Board.

Standards for Evaluating the Performance of the Committee

The Board shall assess the performance of the Committee before the annual stockholders' meeting based on the number of accomplishments every year.

Effectivity

This Charter shall take effect immediately upon approval of the Board of Directors.

Approved by the Board of Directors on 23 August 2018