

ATOK-BIG WEDGE CO., INC.

Audit Committee Charter

PURPOSE

To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

AUTHORITY

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- a. Oversees the work of the external auditor of the Company in the conduct of its annual audit.
- b. Resolve any disagreements between management and the external auditor regarding financial reporting.
- c. Pre-approve all auditing and permitted non-audit services performed by the Company's external auditor.
- d. Whenever necessary, retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation. After such investigations, the Committee shall have the authority to implement the appropriate remedies to address any finding of wrongdoing or inaccurate reporting and whenever necessary institute the appropriate legal actions to protect the best interest of the Company.
- e. Seek any information it requires from employees--all of whom are directed to cooperate with the committee's requests--or external parties.
- f. Meet with company officers, external auditors, or outside counsel, as necessary.

COMPOSITION

The audit committee will consist of at least three and no more than six members of the board of directors. The board or its nominating committee will appoint committee members and the committee chair.

Each committee member will be both independent and financially literate. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

MEETINGS

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting,

in person or via tele- or video-conference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

RESPONSIBILITIES

The committee will carry out the following function and responsibilities:

- a. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations;
- b. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities. The Committee shall also promote risk awareness in the Company;
- c. Perform oversight functions over the Company's internal and external auditors. It shall ensure that the internal and external auditors act independently from each other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective functions;
- d. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it;
- e. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. The Committee shall review and approve management's representation letter before submission to the external auditor;
- f. Organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- g. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- h. Review the reports submitted by the internal and external auditors;
- i. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - i. Any changes in accounting policies and practices
 - ii. Major judgmental areas
 - iii. Significant adjustments resulting from audit

- iv. Going concern assumptions
 - v. Compliance with accounting standards
 - vi. Compliance with tax, legal and regulatory requirements
 - vii. Unusual or complex transactions including all related party transactions
- j. Coordinate, monitor and facilitate compliance with laws, rules and regulations
- k. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Company's annual report.
- l. Establish and identify the reporting line of the Internal Auditor to enable to properly fulfill his duties and responsibilities. He shall functionally report directly to the Committee. The Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.