

Audit Committee Charter Alternergy Holdings Corporation

The Audit Committee shall 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. It shall be responsible for the setting up of the Internal Audit Department and for the appointment of the Internal Auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system. Further, the Audit Committee shall have explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend meetings, and adequate resources to enable it to effectively discharge its functions.

The Audit Committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the chairperson, should be independent directors. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The chairperson of the Audit Committee should not be the chairperson of the Board or of any other committees. Preferably, the members shall have accounting and finance backgrounds, and at least one (1) member shall have audit experience. Each member shall have adequate understanding at least, or competence at most, of the Company's financial management systems and environment.

The Audit Committee shall have the following duties and responsibilities:

- 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;
- Recommends the approval of the Internal Audit (IA) Charter, which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- Through the IA 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. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to i) safeguard the Company's resources and ensure their effective utilization, ii) prevent occurrence of fraud and other irregularities, iii) protect the accuracy and reliability of the Company's financial data and information technology security, and iv) ensure compliance with applicable laws and regulations;
- Oversees the IA Department and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, the Internal Auditor should directly report to the Audit Committee;

- Reviews and monitors management's responsiveness to the Internal Auditor's findings and recommendations;
- 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;
- 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;
- 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. The committee should 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, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;
- Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Areas where a significant amount of judgment has been exercised
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
- Reviews the disposition of the recommendations in the external auditor's management letter;
- Performs oversight functions over the Company's internal and external auditors, including the review of reports submitted by them. It 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;
- Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- Recommends to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the Commission, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

The Audit Committee meets with the Board without the presence of the CEO and periodically meets with the head of the internal audit. //