



Audit Committee Charter

01 January 2021

PURPOSE

The Audit Committee (the "Committee") is established by the Board of Directors (the "Board") of Bluegrace Holdings (the "Company") for the primary purpose of assisting the Board in oversight of:

1. Integrity of the Company's financial statements,
2. Company's compliance with legal and regulatory requirements,
3. Independent auditor's qualifications and independence, and
4. Performance of the Company's internal audit function and independent auditor.

The Committee has the authority to obtain advice and assistance from outside legal, accounting, or other advisors as deemed necessary to perform its duties and responsibilities. The Company shall provide appropriate funding, as determined by the Committee, for (i) payment of compensation to the independent auditor, (ii) compensation to any other outside legal, accounting, or other advisers that the Committee chooses to engage, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee has full authority to form and delegate authority to one or more subcommittees consisting solely of one or more members of the Committee as it deems appropriate from time to time.

ORGANIZATION

Members:

The Committee shall consist of three or more directors. The Chairperson and members of the Committee shall be appointed by the Board and may be removed by the Board at its discretion. At least one member of the Committee shall be a "financial expert," as determined by the Board.

Meetings:

The Committee shall meet in conjunction with regular Board meetings and at such other times as called by or on behalf of the chairperson of the Committee. The Committee meets in executive session, including with its advisors and/or management, as it deems necessary or appropriate. The results of Committee meetings and other actions of the Committee shall be reported to the full Board.

A majority of the members of the Committee shall constitute a quorum. The Committee shall act

only by the affirmative vote of a majority of members present at a meeting provided that any action under this clause shall require the affirmative vote of at least two members of the Committee or unanimous written consent in lieu of a meeting.

RESPONSIBILITIES

In furtherance of the Committee's purpose as set forth above, the Committee's responsibilities include the following:

1. Appoint, retain, compensate, evaluate, and terminate, if necessary an independent auditor as necessary, which auditor will report directly to the Committee. The Committee shall present its conclusions with respect to the independent auditor to the Board.
2. Review and pre-approve both audit and non-audit services to be provided by the independent auditor.
3. Review and advise on recommend changes to, and approve the Internal Audit Charter.
4. Obtain and review, on an annual basis, a formal written report prepared by the independent auditor describing:
 1. The firm's internal quality-control procedures;
 - a. Any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and
 - b. All relationships between the independent auditor and the Company (for purposes of assessing the auditor's independence), including discussion and evaluation of such relationships, and recommending that the Board take appropriate action in response to the independent auditor's report to satisfy itself of the independent auditor's independence.
 2. Discuss with the independent auditor
 - a. any difficulties or problems encountered in performing the audit, including management's response, as well as any significant disagreements between management and the independent auditor.
5. Review with the independent auditors, internal auditors, and members of senior management the adequacy and effectiveness of the Company's financial controls and financial reporting processes.
6. Meet periodically as necessary with management and the independent auditors in separate executive sessions.

7. Review the Company's internal audit plan, including the responsibilities, budget, and staffing of the Company's internal audit function, and receive regular reporting on audit activities and trends.
8. Meet to review and discuss with management and the independent auditors relevant reports rendered by the independent auditors.
9. Review this charter on an annual basis and recommend to the Board changes to the charter as appropriate to support an affirmation by the Board.
10. Discuss with management the Company's policies, practices and guidelines with respect to risk assessment and risk management.
11. At least annually review the Company's compliance with its risk management processes, and with the General Counsel on pending Law Department investigations of alleged or potentially significant violations of laws, regulations, or Company policies.
12. Review management's assessment of compliance with laws, regulations, and Company policies relative to payments to individuals or organizations retained as foreign sales consultants.
13. Review the Company's ethics and business conduct programs and the Company's compliance with related laws and regulations.
14. Review significant pending and threatened litigation, the status of advancement of expenses to employees involved in company-related legal proceedings, and related indemnification.
15. Set clear hiring policies, compliant with governing laws or regulations, for the Company's hiring of employees or former employees of the independent auditor.
16. Establish and maintain procedures for:

The receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
The confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
17. Perform an annual performance evaluation of the Committee.
18. Report regularly to the Board regarding the execution of the Committee's duties and responsibilities as well as any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, or the performance of the internal audit function.
19. Report regularly to the Board with respect to the implementation and effectiveness of the Company's ethics and compliance programs to support the Board's oversight responsibility.
20. Periodically review risk assessments from management with respect to cyber security, including assessments of the overall threat landscape and related strategies and investments.

21. Periodically assess the adequacy and need for additional continuing director education programs relevant to the Committee's responsibilities.

22. Perform such other duties as may be delegated from time to time by the Board.