



BIRCHTECH CORP.

AUDIT COMMITTEE CHARTER

A. Purpose

The Audit Committee is appointed by the Board of Directors of Birchtech Corp., a Delaware corporation (the “Company”), to assist the Board of Directors of the Company in fulfilling its oversight responsibility by reviewing the accounting and financial reporting processes of the Company and its subsidiaries, the Company's internal control and disclosure control system, and the audits of the Company's financial statements. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communications among the Company’s Board of Directors, outside auditors and senior management.

B. Committee Membership

The Audit Committee shall consist of no fewer than three directors. Each member of the Audit Committee shall be an independent director of the Company if required to satisfy the independence requirements of any exchange on which the Company’s securities may be listed and any other applicable regulatory requirements. Each member of the Audit Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement, at the time of his or her appointment to the Audit Committee. In addition, at least one member must have past employment experience in finance or accounting, requisite professional certification in accounting, of any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Unless otherwise determined by the Board, at least one member of the Audit Committee shall be a “financial expert”, as defined by applicable rules of the Securities and Exchange Commission and such securities exchange or market on which the Company’s securities are traded.

The Board of Directors shall appoint the members of the Audit Committee. Subject to earlier removal by the Board of Directors, each member shall serve until he or she is no longer a director of the Company, and until his or her successor shall have been duly elected and qualified. An Audit Committee member may be removed by the Board of Directors at any time in its discretion, whereupon the resulting vacancy shall be filled by the Board of Directors. The Board of Directors shall designate one member of the Audit Committee to serve as chairperson of the Audit Committee.

The Audit Committee may form and delegate authority to subcommittees of the Audit Committee when appropriate.

C. Meetings and Procedures

The Audit Committee shall meet as often as its members deem necessary to perform the Committee’s responsibilities. The chairperson of the Audit Committee (or in his or her absence, a member designated by the chairperson of the Audit Committee) shall preside at each meeting of the Audit Committee and set the agendas for the Audit Committee meetings. The Audit Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company’s bylaws applicable to the Audit Committee.

A majority of the members of the Audit Committee shall constitute a quorum for doing business. All actions of the Audit Committee shall be taken by a majority vote of the members of the Audit Committee present at the meeting, provided a quorum is present. The Audit Committee shall keep records of its meetings as it shall deem appropriate. Action may be taken by the Audit Committee without a meeting if all of the members of the Audit Committee indicate their approval thereof in writing. The Audit Committee shall report regularly to the Board of Directors.

D. Committee Authority and Responsibilities

The Audit Committee shall have the following authority and responsibilities:

1. The Audit Committee shall assume direct responsibility for the appointment, retention and oversight of the work of the outside auditors and, when appropriate, the replacement of the outside auditors. As part of the audit process, the Audit Committee shall meet with the outside auditors to discuss and decide the audit's scope. The Audit Committee shall also review and approve the compensation to be paid to the outside auditors and shall be authorized to compensate the outside auditors.
2. The Audit Committee shall take, or recommend that the full Board take, appropriate action to ensure the independence of the outside auditors. The Audit Committee shall require the outside auditors to advise the Company of any fact or circumstances that might adversely affect the outside auditors' independence or judgment with respect to the Company under applicable auditing standards. The Audit Committee shall actively engage in a dialogue with the outside auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the outside auditors.
3. The Audit Committee shall require the outside auditors to advise the Audit Committee in advance in the event that the outside auditors intend to provide any professional services to the Company other than services provided in connection with an audit or a review of the Company's financial statements ("non-audit services"). The Audit Committee shall approve, or recommend that the full Board approve, in advance, any non-audit services to be provided to the Company by the Company's outside auditing firm.
4. The Audit Committee shall obtain confirmations from time to time from the Company's outside auditing firm that such firm is not providing to the Company (i) any prohibited services, or (ii) any other non-audit service or any auditing service that has not been approved in advance by the Audit Committee.
5. The Audit Committee shall meet with the outside auditors and management to review the Company's quarterly reports on Form 10-Q and annual report on Form 10-K and discuss any significant adjustments, management judgments and accounting estimates and any significant new accounting policies before such forms are filed with the SEC.
6. Upon the completion of the annual audit, the Audit Committee shall review the audit findings reported to it by the outside auditors, including, where applicable, the results of the outside auditor's evaluation of the Company's disclosure controls and internal controls, and any comments or recommendations of the outside auditors, with the entire Board.

7. The Audit Committee shall consider and review with management: (a) significant findings during the year and management's responses thereto, including the status of previous audit recommendations and (b) any difficulties encountered in the course of their audits, including any restrictions on the scope of activities or access to required information.
8. The Audit Committee shall consider and approve, if appropriate, or recommend that the full Board approve, changes to the Company's auditing and accounting principles and practices, as suggested by the outside auditors or management, and the Audit Committee shall review with the outside auditors and management the extent to which such changes have been implemented (to be done at an appropriate amount of time prior to the implementation of such changes as decided by the Audit Committee).
9. The Audit Committee shall prepare, if required by appropriate SEC rules and regulations, a letter for inclusion in the Company's proxy statement describing the discharge of the Audit Committee's responsibilities.
10. In consultation with management and the outside auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the outside auditors together with management's responses.
11. Review the Company's quarterly financial results prior to the release of earnings and/or the Company's quarterly financial statements prior to filing or distribution.
12. Prior to releasing the year-end earnings, discuss the results of the audit with the outside auditors.
13. The Audit Committee shall have the authority to engage independent counsel and other advisers as it determines necessary to perform its duties.
14. Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
15. Review, with the Company's counsel, any legal matter that could have a significant impact on the organization's financial statements.
16. The Audit Committee shall investigate or consider such other matters within the scope of its responsibilities and duties as the Audit Committee may, in its discretion, determine to be advisable.
17. Perform such other duties as may be required by applicable law, the Company's governing documents, or the resolutions of the Board of Directors.

While the Audit Committee has the responsibilities and powers set forth above, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with generally accepted accounting principles. This is the responsibility of management and the outside auditors.

E. Reporting and Reviews; Disclosure of Charter

The Audit Committee will review and reassess the adequacy of this charter at least annually and recommend any proposed changes to the Board for approval.

This charter shall be made available on the Company's website and/or attached to the Company's proxy statement, if required, and in accordance with applicable SEC and rules of such securities exchange or market on which the Company's securities are traded.

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