

GUARDFORCE AI CO., LIMITED

AUDIT COMMITTEE CHARTER

Amended and Restated on December 1, 2023

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Guardforce AI Co., Limited (the “Company”) as a committee of the Board. The purpose of the Committee is to assist the Board in fulfilling its oversight responsibility relating to (i) the monitoring of the integrity of the Company’s and its subsidiaries’ financial statements and financial reporting process and the Company’s and its subsidiaries’ systems of internal accounting and financial controls, (ii) the monitoring of the effectiveness of and performance of the internal and external, control, risk management and audit services function, (iii) the monitoring of the annual independent audit of the Company’s and subsidiaries’ financial statements, the engagement of the independent auditors and the evaluation of the independent auditors’ qualifications, independence and performance, (iv) the compliance by the Company with legal and regulatory requirements, including the Company’s disclosure of controls and procedures, (v) the compliance with the Company’s Code of Ethics and Business Conduct and conduct of the Company’s officers and directors, (vi) the evaluation of enterprise risk issues, and (vii) the fulfillment of the other responsibilities set out herein.

I. Purpose and authority

The Committee shall oversee the accounting and financial reporting processes of the Company and the audits of the Company’s financial statements. The Committee is responsible for:

- Overseeing the Company’s accounting and financial reporting processes and financial statement audits
- Overseeing the Company’s compliance with legal and regulatory requirements
- Overseeing the Company’s independent auditor’s qualifications and independence
- Overseeing the performance of the Company’s independent auditor
- Overseeing the Company’s systems of disclosure and controls procedures
- Overseeing the Company’s internal controls over financial reporting
- Overseeing the Company’s compliance with ethical standards adopted by the Company

The Committee should encourage continuous improvement and should foster adherence to the Company’s policies, procedures and practices at all levels. The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisers when necessary to perform its duties and responsibilities.

In carrying out its duties and responsibilities, the Committee has the authority to engage outside legal, accounting, or other advisers, and to seek any information it requires from employees, officers, and directors.

The Company will provide appropriate funding, as determined by the Committee, for the compensation to the independent auditor, to any advisers that the Committee chooses to engage, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee serves a Board level oversight role where it oversees the relationship with the independent auditor, as set forth in this Charter, receives information and provides advice, counsel and general direction, as it deems appropriate, to management and the auditors, taking into account the information it receives, discussions with the auditor, and the experience of the Committee's members in business, financial and accounting matters. The fundamental responsibility for the Company's financial statements and disclosures rests with management and the independent auditor.

II. Composition and meetings

Membership and Structure. The Committee shall consist of at least one (1) independent non-executive director who has competence in accounting or auditing. The Committee members shall be elected by the Board, upon the recommendation of the Nominating and Corporate Governance Committee, on such terms as may be specified by the Board.

Appointment. Committee members will be appointed by the board at the annual board meeting to serve until their successors are elected. Unless a chair is elected by the full board, the members of the Committee may designate a chair by majority rule.

Qualifications. All Committee members shall meet all applicable independence requirements of The Nasdaq Stock Market LLC and any successor thereto ("Nasdaq") and of Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subject to the exemptions provided in Rule 10A-3(c) under the Exchange Act, and other applicable rules and regulations of the SEC. Additionally, no member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the preceding three (3) years and all members of the Committee must be able to read and understand fundamental financial statements, including a balance sheet, income statement, and cash flow statement.

Financial Expert. As a matter of best practices, the Committee will endeavor to have at least one of its members with the requisite qualifications to be designated by the Board as an "audit committee financial expert," as such term is defined by Item 407(d)(5) of Regulation S-K as promulgated by the SEC ("Regulation S-K"). The Committee shall report to the Board for further action as appropriate, including, but not limited to, a determination by the Board that the Committee membership includes or does not include one or more "audit committee financial experts" and any related disclosure to be made concerning this matter. The designation of a member of the Committee as an "audit committee financial expert" will not

increase the duties, obligations or liability of the designee as compared to the duties, obligations and liability imposed on the designee as a member of the Committee and of the Board. If the Committee does not have an “audit committee financial expert,” then, in accordance with Nasdaq requirements, at least one member of the Committee must be financially sophisticated, in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities.

Chair. Unless the Chair of the Committee (the “Chair”) is elected by the full Board, the Committee members may designate a Chair consistent with any recommendation of the Nominating and Corporate Governance Committee.

Resignation, Removal and Replacement. Any director may resign from the Committee at any time upon notice of such resignation to the Company. An independent director who ceases to be independent under Nasdaq requirements shall promptly resign to the extent required for the Company to comply with applicable laws, rules and regulations. The Board shall have the power at any time to remove a member of the Committee with or without cause, to fill all vacancies, and to designate alternate members, upon the recommendation of the Committee, to replace any absent or disqualified members, so long as the Committee shall at all times have at least three (3) members and be composed solely of independent board members.

Meetings. The board will determine that a director’s simultaneous service on multiple Committees will not impair the ability of such member to serve on the Committee. The Committee will meet at least quarterly or more frequently as circumstances dictate. The Committee chair will approve the agenda for the Committee’s meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable.

Each regularly scheduled meeting will conclude, at the discretion of the Committee chair, with an executive session of the Committee absent members of management. The Committee may also, at its discretion, meet with the independent auditors in executive session.

III. Responsibilities and duties

The function of the Committee is to oversee the Company’s management and independent accountants in the production of the Company’s financial statements, as well as all controls and procedures relating thereto. The Company’s management is primarily responsible for the preparation and presentation of the Company’s financial statements and for maintaining appropriate systems for accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The Company’s independent accountants are primarily responsible for planning and carrying out a proper audit of the Company’s annual financial statements, reviewing the Company’s unaudited interim financial statements and auditing management’s assessment of effectiveness of internal control over financial reporting in accordance with the standards of the

Public Company Accounting Oversight Board (the “PCAOB”) and other procedures. The independent accountants are accountable to the Board and the Committee, as representatives of the Company’s shareholders. The Board and the Committee have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the Company’s independent accountants. For purposes of this Charter, the term “management” means the appropriate officers of each of the Company and its subsidiaries and the phrase “internal accounting staff” means the appropriate officers and employees of each of the Company and its subsidiaries.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company or members of management and are not, and do not represent themselves to be, accountants or auditors by profession. As such, it is not the duty or the responsibility of the Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures to determine if the financial statements are complete and accurate and whether they have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board, or to set auditor independence standards.

Each member of the Committee shall be entitled to rely on (i) the integrity of those persons within and outside the Company and management from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary (which shall be promptly reported to the Board), and (iii) statements made by the officers and employees of the Company and its subsidiaries or other third parties as to any information technology, internal and external audit and other non-audit services provided by the independent accountants to the Company. In carrying out its responsibilities, the Committee’s policies and procedures shall be adapted, as appropriate, to best react to changing markets and regulatory environments.

Nothing in this Charter shall be interpreted as diminishing or derogating the duties, responsibilities or obligations of the Board. Subject to the requirements of the Company’s second amended and restated articles and memorandum of association, the Committee shall:

RETENTION OF INDEPENDENT ACCOUNTANTS AND APPROVAL OF SERVICES

1. Select or retain each year a firm or firms of independent accountants to audit the accounts and records of the Company and its subsidiaries, to approve the terms of compensation of such independent accountants (including negotiating and executing on behalf of the Company engagement letters) and to terminate such independent accountants as it deems appropriate.

2. Pre-approve any independent accountants’ engagement to render audit and/or permissible non-audit services (including the fees charged and proposed to be charged by the independent accountants), subject to the *de minimus* exceptions under Section 10A(i)(1)(B) of the Exchange Act, and as otherwise required by law.

3. The Committee may delegate its pre-approval responsibilities to one (1) or more of its members. The member(s) to whom such responsibility is delegated must report, for informational purposes only, any pre-approval decisions to the Committee at its next scheduled meeting.

OVERSIGHT OF THE INDEPENDENT ACCOUNTANTS

4. Obtain and review a report from the independent accountants at least annually regarding:

- (a) the independent accountants' internal quality-control procedures;
- (b) any material issues raised by the most recent internal quality-control review, peer review, or review by the PCAOB, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years respecting one (1) or more independent audits carried out by the firm;
- (c) any steps taken with regard to the issues identified in (a) or (b) above; and
- (d) all relationships between the independent accountants and the Company and its subsidiaries.

5. Obtain from the independent accountants annually a formal written statement of the fees billed in each of the last two (2) fiscal years for each of the following categories of services rendered by the independent accountants:

- (a) the audit of the Company's annual financial statements and the reviews of the financial statements included in the Company's interim reports or services that are normally provided by the independent accountants in connection with statutory or regulatory filings or engagements;
- (b) that are reasonably related to the performance of the audit or review of the Company's financial statements, in the aggregate and by each service;
- (c) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and
- (d) all other products and services rendered by the independent accountants, in the aggregate and by each service.

6. Evaluate the qualifications, performance and independence of the independent accountants, including the following:

- (a) evaluating the performance of the lead (or coordinating) audit partner, and the quality and depth of the professional staff assigned to the Company and its subsidiaries;
- (b) considering whether the accountant's quality controls are appropriate and adequate in light of the standards and requirements established by the PCAOB and under applicable law at such time; and
- (c) considering whether the provision of permitted non-audit services is compatible with maintaining the accountant's independence.

7. Consider the opinions of management and the internal accounting staff in connection with the foregoing responsibilities. The Committee shall present its conclusions with respect to the independent accountants to the Board.

8. Monitor the rotation required by applicable law of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit.

9. Oversee compliance with the following guidelines relating to the Company's hiring of employees or former employees of the independent accountants:

- (a) no member of the audit team that is auditing the Company can be hired by the Company in a financial reporting oversight role (as defined in the SEC's Regulation S-X) for a period of one (1) year following association with that audit; and
- (b) the Company's Chief Financial Officer shall report annually to the Committee the profile of the preceding year's hires from the independent accountants.

10. Consider the effect on the Company of:

- (a) any changes in accounting principles or practices proposed by management or the independent accountants;
- (b) any changes in service providers, such accountants, that could impact the Company's internal control over financial reporting; and
- (c) any changes in schedules (such as fiscal or tax year-end changes) or structures or transactions that require special accounting activities, services or resources.

11. Review any presentations or reports prepared by the independent accountants with respect to any applicable tax matters.

12. Annually review a formal written statement from the independent accountants delineating all relationships between the independent accountants and the Company, consistent with applicable requirements and standards of the SEC and the PCAOB, and discuss with the independent accountants their methods and procedures for ensuring independence.

13. Evaluate the efficiency and appropriateness of the services provided by the independent accountants, including any significant difficulties with the audit or any restrictions on the scope of their activities or access to required records, data and information.

14. Interact with the independent accountants, including reviewing and, where necessary, resolving any problems or difficulties the independent accountants may have encountered in connection with the annual audit or otherwise, any management letters provided to the Committee and the Company's responses. Such review shall address any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or

access to required information, any disagreements that have arisen between management and the independent accountants regarding financial reporting.

15. Review with the independent accountants the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

FINANCIAL STATEMENTS AND DISCLOSURE MATTERS

16. Review and discuss with management and the independent accountants the annual audited financial statements, including disclosures made in management's discussion and analysis of financial condition and results of operations, and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 20-F.

17. Review and discuss with management and the independent accountants the Company's interim financial statements, including disclosures made in management's discussion and analysis of financial condition and results of operations, prior to the filing of its reports on Form 6-K, including the results of the independent accountants' reviews of the interim financial statements.

18. Review with the Company's Chief Executive Officer, Chief Financial Officer and independent accountants, the adequacy and effectiveness of the Company's and its subsidiaries' internal control over financial reporting and review periodically, but in no event less frequently than semiannually, management's conclusions about the effectiveness of such internal control over financial reporting, including any significant deficiencies and material weaknesses in, or material non-compliance with, such internal control.

19. Review with the Company's Chief Executive Officer, Chief Financial Officer and independent accountants, the adequacy and effectiveness of the Company's and its subsidiaries' disclosure controls and procedures and review periodically, but in no event less frequently than semiannually, management's conclusions about the effectiveness of such disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.

20. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer, or persons performing similar roles, during their certification process for the Company's Annual Report on Form 20-F and reports on Form 6-K concerning any significant deficiencies in the design or operation of disclosure controls and procedures and, when applicable, internal control over financial reporting, or material weaknesses in such control, and any fraud involving management or other employees who have a significant role in the Company's disclosure controls and procedures and internal control over financial reporting.

21. Review and discuss the types of information to be disclosed and the types of presentation to be made in connection with earnings releases by the Company and its subsidiaries.

22. Review and discuss the types of financial and non-financial information and earning guidance to be provided to analysts and ratings agencies.

23. Meet with the Company's independent accountants at least four times during each fiscal year, including private meetings, and review written materials prepared by the independent accountants, as appropriate. At these meetings, the Committee shall:

- (a) review the arrangements for and the scope of the annual audit and any special audits or other special permissible services;
- (b) review the Company's financial statements and to discuss any matters of concern arising in connection with audits of such financial statements, including any adjustments to such statements recommended by the independent accountants or any other results of the audits;
- (c) consider and review, as appropriate and in consultation with the independent accountants, the appropriateness and adequacy of the Company's financial and accounting policies, internal control over financial reporting and, as appropriate, the internal controls of key service providers, and to review management's responses to the independent accountants' comments relating to those policies, procedures and controls, and to take any necessary action in light of material control deficiencies;
- (d) review with the independent accountants their opinions as to the fairness of the financial statements; and
- (e) review and discuss semiannual reports from the independent accountants relating to: (1) all critical accounting policies and practices to be used; (2) all alternative treatment of financial information within IFRS that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent accountants; and (3) other material written communications between the independent accountant and management, such as any management letter or schedule of unadjusted differences.

24. Prepare the report and filing required by the SEC to be included in the Company's public filing.

COMPLIANCE OVERSIGHT

25. Administer the following procedures relating to the receipt, retention and treatment of complaints received by the Company regarding questionable accounting, internal accounting controls over financial reporting or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters:

- (a) the Company shall forward to the Committee any complaints or concerns that it has received regarding questionable financial statement disclosures, accounting, internal accounting controls or auditing matters;
- (b) the Company shall establish and publish on its website an e-mail address for receiving anonymous complaints or concerns related to questionable

financial statement disclosures, accounting, internal accounting controls or auditing matters, provided that the Company may engage the services of a third-party service provider to receive such complaints on behalf of the Company via telephone, email or other appropriate method;

- (c) any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any concerns regarding questionable financial statement disclosures, accounting, internal accounting controls or auditing matters by setting forth such concerns in writing and forwarding them in a sealed envelope to the Chairman of the Committee, such envelope to be labeled with a legend such as “To be opened by the Committee only” (employees may deposit such envelope in the Company’s internal mail system or deliver it by hand to a member of the Committee and if an employee would like to discuss any matter with the Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Committee deems it appropriate);
- (d) the Committee shall review and consider any such complaints and concerns that it has received and take any action that it deems appropriate in order to respond thereto;
- (e) the Committee may request special treatment for any complaint or concern, including the retention of outside counsel or other advisors; and
- (f) the Committee shall retain any such complaints or concerns for a period of no less than five (5) years.

The Committee shall annually reassess the effectiveness of the procedures described immediately above and modify them as necessary

26. The Committee will be designated as and serve as the Qualified Legal Compliance Committee (the “QLCC”) for the Company in accordance with the provisions of Section 307 of Sarbanes-Oxley Act of 2002. Upon receipt of a report of evidence of a material legal violation, the Committee will notify the Board of such report, investigate and recommend appropriate measures to the Board. If the Company does not appropriately respond, the Committee may take further appropriate action, including notification to the SEC. In its capacity as the QLCC, the Committee shall have responsibility for the matters set forth in Appendix A to this charter.

27. Review with management or any external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Company and any material reports or inquiries from regulatory or governmental agencies.

28. Review with management the adequacy and effectiveness of the Company’s procedures to ensure compliance with its legal and regulatory responsibilities.

29. Oversee compliance with the Company’s Code of Ethics and Business Conduct.

30. Discuss with management, the independent accountants, outside counsel, as appropriate, and, in the judgment of the Committee, such special counsel, separate accounting firm and other consultants and advisors as the Committee deems appropriate, any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements, accounting policies or internal control over financial reporting.

31. Obtain reports from management, the internal or external auditor or internal or external audit service provider, as the case may be, and the independent auditor regarding compliance with applicable legal and regulatory requirements.

OVERSIGHT OF COMPANY'S INTERNAL AND EXTERNAL AUDIT FUNCTION

32. The internal and external auditor or internal and external audit service provider, as the case may be, shall report periodically to the Committee regarding any significant deficiencies in the design or operation of the Company's and its subsidiaries' internal control over financial reporting, material weaknesses in the internal control over financial reporting and any fraud (regardless of materiality) involving persons having a significant role in the internal control over financial reporting, as well as any significant changes in internal control over financial reporting implemented by management during the most recent reporting period of the Company.

33. Discuss with management, the internal and external auditor or internal and external audit service provider, as the case may be, and the independent accountant the Company's major risk exposures (whether financial, operations or both) and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

34. With respect to any internal and external audit services that may be outsourced, engage, evaluate and terminate internal and external audit service providers and approve fees to be paid to such internal and external audit service providers.

FINANCIAL OVERSIGHT

35. Review and approve decisions by the Company and its subsidiaries to enter into derivative transactions (including, but limited to, swaps, put and call options or combinations thereof, caps, floors, collars, and forward or spot exchanges) and related matters, as appropriate, as well as non-cleared swaps that are exempt from the clearing and trade execution requirements established under applicable federal law, rules and regulations, including swaps that are entered into in reliance upon the "end-user exceptions" to the mandatory execution and clearing requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations. The Committee may review and approve swap transactions submitted to it by management on (a) an individual transaction basis or (b) a blanket basis, with respect to all non-cleared swaps that are exempt from the federal clearing and trade execution requirements, which approval must be reviewed at least annually.

36. Periodically review, at least on an annual basis, or more often (particularly in the event of a material change in hedging strategy) and approve the Company's policies for the use of swaps that are entered into in reliance upon the end-user exceptions.

OTHER

37. Prepare the disclosure required by Item 407(d)(3)(i) of Regulation S-K.

38. Report its activities to the Board on a regular basis and to make such recommendations with respect to the matters described above and other matters as the Committee may deem necessary or appropriate.

39. Perform an annual self-evaluation of the Committee's performance and annually review and reassess the adequacy of and, if appropriate, propose to the Board, any desired changes in, this Charter, all to supplement the oversight authority by the Nominating and Corporate Governance Committee with respect to such matters.

40. The Committee shall have such further responsibilities as are given to it from time to time by the Board. The Committee shall consult, on an ongoing basis, with management, the independent accountants and counsel as to legal or regulatory developments affecting its responsibilities, as well as relevant tax, accounting and industry developments.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties.

IV. ADDITIONAL RESOURCES.

The Committee shall have the right to use reasonable amounts of time of the Company's independent accountants, outside lawyers and other internal staff and also shall have the right to hire independent experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. The Committee shall also be given the resources, as determined by the Committee, for payment of (i) compensation to any registered independent public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, (ii) compensation to any independent experts, lawyers and other consultants hired to assist and advise the Committee in connection with its responsibilities, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall keep the Company's Chief Financial Officer advised as to the general range of anticipated expenses for outside consultants, and shall obtain the concurrence of the Board in advance for any expenditures.

V. AMENDMENTS.

Any amendments to this Charter must be approved or ratified by a majority vote of the Company's Board, including a majority of independent directors.

VI. DISCLOSURE OF CHARTER.

This Charter will be made available on the Company's website at "<https://ir.guardforceai.com/corporate-governance/governance-documents/>"

Adopted, as amended and restated, by the Board of Directors on December 1, 2023

APPENDIX A

THE AUDIT COMMITTEE'S RESPONSIBILITIES AS A QUALIFIED LEGAL COMPLIANCE COMMITTEE

In its capacity as the Qualified Legal Compliance Committee, the Audit Committee shall have responsibility for the following matters:

- To review any report by an attorney or a legal counsel representing the Company and/or its subsidiaries of a material violation of U.S. federal or state securities law, a material breach of fiduciary duty arising under U.S. federal or state law or a similar material violation of any U.S. federal or state law (each, a “material violation”).
- Any report or referral under this charter shall be made in the first instance to the Chair of the Audit Committee by direct communication, either in person or by telephone. If it is an exigent matter and the Chair of the Audit Committee is unavailable, then an attorney or a legal counsel representing the Company and/or its subsidiaries shall report the matter to another member of the Audit Committee.
- A reporting attorney or legal counsel shall ensure that the person to whom he or she reports is expressly advised that the attorney is making a report or referral under this charter.
- Reports to the Audit Committee by an attorney or a legal counsel representing the Company and/or its subsidiaries shall be subject to the attorney-client privilege. The Audit Committee shall maintain the confidentiality of such reports, except to the extent the Audit Committee deems it necessary to disclose such reports or related information in carrying out its functions under this charter and the SEC rules.
- Upon receipt of a report, the Audit Committee shall:
 - inform Chief Executive Officer of such report, unless such notification would be futile; and
 - determine whether an investigation is necessary regarding any report of evidence of a material violation by the Company, its officers, directors, employees or agents.
- If the Audit Committee determines an investigation is necessary or appropriate, the Audit Committee shall:

notify the Board of Directors; and initiate an investigation, which may be conducted by an attorney or a legal counsel representing the Company and/or its subsidiaries.
- At the conclusion of any such investigation, the Audit Committee shall:

recommend that the Company implement an appropriate response to the evidence of a material violation, which appropriate response may include:

- a finding that no material violation has occurred, is ongoing or is about to occur;
 - the adoption of appropriate remedial measures, including appropriate steps or sanctions to stop any material violations that are ongoing, to prevent any material violation that has yet to occur, and to remedy or otherwise appropriately address any material violation that has already occurred and to minimize the likelihood of its recurrence; or
 - retaining or directing an attorney or a legal counsel representing the Company and/or its subsidiaries to review the reported evidence of a material violation, and either (i) the Company substantially implements any remedial recommendations made by an attorney or a legal counsel representing the Company and/or its subsidiaries after a reasonable investigation and evaluation of the reported evidence, or (ii) the attorney or legal counsel representing the Company and/or its subsidiaries advises the Company that he or she may, consistent with his or her professional obligations, assert a colorable defense on behalf of the Company or its officers, directors, employees or agents, in any investigation or judicial or administrative proceeding relating to the reported evidence or a material violation; and
 - inform the Chief Executive Officer and the Board of Directors of the results of any such investigation initiated by the Audit Committee, and the appropriate remedial measures to be adopted.
- The Audit Committee may take all other appropriate action, including notifying the SEC, if the Company fails in any material respect to implement an appropriate response that the Audit Committee has recommended that the Company take.