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| **INTERNAL AUDIT CHARTER** | Version No: |
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**Section 1: Purpose**

To ensure the integrity, transparency, and proper governance in doing business, Jackstones, Inc. (“Company”) hereby implements its Internal Audit Charter to provide an independent and objective assurance and consulting services designed to add value and improve the company’s operations.

The objective of internal audit is to ensure the effectiveness and efficiency of business operations, timeliness, transparency, and reliability on compliance with applicable laws, rules, and regulations.

The purpose of internal audit is to assist the Board of Directors and the managerial level to verify and evaluate whether the operation of internal control system works effectively and smoothly and provide appropriate suggestions for revision, which can ensure the on-going performance of effective internal control and service as basis of internal control system revisions.

**SECTION 2:** **Appointment and Removal**

The appointment and/or removal of the Internal Auditor shall be approved by the Audit Committee of the Company and by the Board of Directors.

The Audit Committee shall, subject to the confirmation of the Board, choose the audit team to conduct the internal audit or hire a professional group to conduct the audit. In the selection of the Internal Auditor, the Audit Committee and the Board shall take into account the competence and experience needed to achieve the objectives of the audit and carefully identify the areas on which the internal audit will be performed.

In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned on the responsibility for managing the fully outsourced internal audit activity.

Any resignation or removal of the Internal Auditor and/or any of the members of the Internal Auditors, and the reasons for such action shall be properly disclosed to the Audit Committee and to the Board of Directors.

**SECTION 3: Duties and Responsibilities**

The following are the responsibilities and functions of the Internal Audit

1. Provide an independent risk-based assurance service to the Board, Management, and Corporate Governance Committee, focusing on reviewing the effectiveness of the governance and control processes in the following:
	1. Promoting the right values and ethics;
	2. Ensuring effective performance management and accounting in the organization;
	3. Communicating risk and control information; and
	4. Coordinating the activities and information among the Board, external and internal auditors, and Management.
2. Establish a risk-based audit plan, including policies and procedures, to determine the priorities of the internal audit activity that is consistent with the Company’s goals;
3. Performs regular and special audit as contained in the annual audit plan and/or based on the company’s risk assessment;
4. Performs consulting and advisory services related to governance and control as appropriate for the organization;
5. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
6. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the company;
7. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
8. Evaluates specific operations at the request of the Board or Management, as appropriate;
9. Monitors and evaluates governance processes;
10. In the performance of its audit functions, provide notice to all departments of the Company on the schedule of the audit;
11. Provide assistance to the Audit Committee in its oversight function related to corporate governance and shall include establishing an effective communication process with the Audit Committee on the financial reporting, risk management processes, and compliance with laws and regulations.

In the performance of such functions, the Internal Auditor shall have the right to access the Company’s records, personnel, properties, and operations for the purpose of fulfilling its duties and responsibilities. The Company’s officers and employees shall assist the Internal Auditor in fulfilling such duties and responsibilities.

In the event that the internal audit activity is outsourced to a qualified independent third party service provider, the duties and responsibilities above-mentioned shall be observed by such third party service provider.

**SECTION 3: Independence**

The Internal Auditor shall provide an independent and objective assurance, and consulting services designed to add value and improve the company’s operations. In the conduct of its audit, the Internal Auditor shall be free from interference on matters of audit selection, scope, procedures, frequency, timing, or report-content.

**SECTION 4: Reporting**

The Internal Auditor shall report functionally to the Board of Directors, through the Audit Committee. A written report shall be prepared and issued after the conclusion of each internal audit engagement, including significant audit results, and shall be submitted to the Audit Committee and to the Board of Directors.

**SECTION 5: Review and Standards**

The Internal Audit Charter shall be reviewed by the Audit Committee at least annually or as often as the Board may deem necessary. The findings of the review and the recommendations and proposed revisions shall be presented to the Board of Directors for review and appropriate action.

The Internal Auditor shall undertake its work in accordance with the Internal Auditors’ International Standards for the Professional Practice of Internal Auditing, and will abide with the applicable ethical regulations as required by the Company and such other applicable laws and regulations to be issued by the appropriate government authorities.

**SECTION 6: Effectivity**

This Internal Audit Charter shall take effect upon approval of the Board of Directors.