

Transportation and Logistics Systems, Inc. Audit Committee Charter

Purpose

The Audit Committee of the Board of Directors (the "Board") of Transportation and Logistics Systems, Inc. (the "Company") shall discharge the Board's responsibilities, and shall assist the Board in fulfilling its oversight responsibilities with respect to the Company for the financial reporting process, the system of internal controls and the audit process, as well as the Company's process for monitoring compliance with any applicable laws and regulations and code of conduct.

Committee Membership

1. **Size.** The Audit Committee shall consist of no fewer than two (2) non-employee members of the Board. Apart from such requirement, the Board may at any time increase or decrease the number of members of the Audit Committee.
2. **Qualifications.** Each Audit Committee member shall be free from any relationships or conflicts of interest that may impair, or appear to impair, such Audit Committee Member's ability to make independent judgments regarding financial policies and/or compliance by the Company and all of its employees. At least one Audit Committee member shall be designated as the "financial expert," as defined by applicable legislation and regulation.
3. **Appointment and Removal.** The Chairman of the Board of Directors shall appoint the Chairman of the Committee and recommend members. Members of the Audit Committee shall be approved and appointed by the Board and may be removed by the Board at any time, with or without cause; provided, however, that no member of the Audit Committee may be removed, other than for just cause, while the Audit Committee is conducting an ongoing investigation of the Company's internal controls, audit process, or compliance with applicable laws, regulations or code of conduct. Each member of the Audit Committee shall serve a term coexistent with such Audit Committee Member's term on the Board or as otherwise designated by the Board. The membership of an Audit Committee member shall terminate on the date of his death or voluntary resignation from the Audit Committee or from the Board. The Board may fill any Audit Committee vacancy created by the death, resignation, removal or increase in the number of members of the Audit Committee. The Board may designate one or more directors as alternate members of the Audit Committee, who may replace any absent or disqualified member at any meeting of the Audit Committee.

Committee Powers, Authority, Duties and Responsibilities

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

1. Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization.
2. Resolve any disagreements between management and the auditor regarding financial reporting.
3. Pre-approve all auditing and non-audit services.
4. Retain independent counsel, accountants, or others to advise the Audit Committee or assist in the conduct of an investigation.
5. Seek any information it requires from employees, all of whom are directed to cooperate with the Audit Committee's requests or the requests on behalf of the Audit committee of any external parties.
6. Meet with Company officers, external auditors, or outside counsel, as necessary.

MEETINGS

The Audit Committee shall meet at least four times a year, with authority to convene additional meetings, as circumstances require. All meetings shall comply with the provisions set forth in Section 19(c) of Article III of the Bylaws of the Company. All Audit Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Audit Committee shall invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. The Audit Committee shall hold private meetings with auditors (see below) and executive sessions as necessary. Meeting agendas shall be prepared and provided in advance to members, along with appropriate briefing materials. Minutes shall be prepared.

RESPONSIBILITIES

The Audit Committee shall carry out the following responsibilities with respect to the Company:

Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Audit Committee members, and reflect appropriate accounting principles.

- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the Audit Committee under generally accepted auditing standards.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Review interim financial reports with management and the external auditors before filing with regulators and consider whether they are complete and consistent with the information known to Audit Committee members.

Internal Control

- Consider the effectiveness of the Company's internal control system, including information technology security and control.
- Understand the scope of the internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Approve the internal audit charter.
- Approve decisions regarding the appointment and removal of the chief audit executive. Ensure that there are no unjustified restrictions or limitations, and review and concur with the appointment, replacement, or dismissal of the chief audit executive.
- Approve the annual audit plan and all major changes to such plan. Review the internal audit activity's performance relative to its plan.
- Review with the chief audit executive the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- At least once per year, review the performance of the chief audit executive and concur with the annual compensation and salary adjustment.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' Definition of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing.
- On a regular basis, meet separately with the chief audit executive to discuss any matters that the Audit Committee or internal auditors believe should be discussed privately.

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of the audit effort with any internal audit.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of such auditors.
- Review and confirm the independence of the external auditors by obtaining statements from such auditors on the relationships between such auditors and the Company, including non-audit services, and discussing the relationships with such auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the Audit Committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to Company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and Company's legal counsel regarding compliance matters.
- Establish a publicized protocol for reporting evidence of non-compliance of the Company and/or its personnel with applicable laws, regulations and/or code of conduct, including, but not limited to, an alternative reporting channel in the eventuality that someone in the primary reporting protocol is involved in such possible non-compliance that is to be reported.

Reporting Responsibilities

- Regularly report to the Board about Audit Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between the internal auditors, the external auditors, and the Board.

- Report annually to the shareholders, describing the Audit Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of any non-audit services.
- Review any other reports the Company issues that relate to Audit Committee responsibilities.

Other Responsibilities

- Perform other activities related to this Charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Audit Committee Charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.
- Evaluate the Audit Committee's and each individual Audit Committee Member's performance on a regular basis.

Adopted by the Board of Directors on February 3, 2022.