

SYNTEC OPTICS INC.

AUDIT COMMITTEE CHARTER

I. Purpose

This Charter governs the organization and operations of the Audit Committee (“**Committee**”) of the Board of Directors (“**Board**”) of Syntec Optics Inc. (“**Company**”). The Committee has been established by the Company’s Board to assist the Board in its oversight of:

- A. the integrity and quality of the financial statements prepared by the Company;
- B. the independence, qualifications, and performance of the independent registered public accounting firm (“**Independent Auditor**”) with respect to their audit of the financial statements;
- C. the Company’s compliance with applicable Nasdaq Stock Market LLC (“**Nasdaq**”), requirements relating to the audited financial statements;
- D. the adequacy and effectiveness of the system of internal controls, accounting systems, and disclosure controls of the Company;
- E. certain aspects of the Company’s risk management and the performance of the Company’s internal accounting staff; and,
- F. the issuance of audited financial statements.

II. Responsibilities

Company. It is the responsibility of the Company’s management (A) to prepare consolidated financial statements that are complete and accurate and in accordance with generally accepted accounting principles in the United States (“**GAAP**”) and other regulatory requirements, and (B) for the overall financial reporting process, including establishing a satisfactory system of internal controls over financial reporting and disclosure controls. The Company will provide appropriate funding, as determined by the Audit Committee, for compensation of the Independent Auditor, any consultants, external legal counsel or advisors that the Audit Committee chooses to engage, and for payment of ordinary administrative expenses of the Audit Committee that are necessary in carrying out its duties.

Absent actual knowledge to the contrary, each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts from whom the Committee receives information (including the Company's finance team and independent accounting firm) and the accuracy of the financial and other information provided to the Committee.

Independent Auditor. It is the responsibility of the Independent Auditor to (A) audit the financial statements as directed by the Audit Committee, (B) assess adequacy and effectiveness of the Company's internal controls over financial reporting and determine if such internal controls have been properly implemented, and (C) express an opinion on the conformity of the audited financial statements with GAAP and other regulatory requirements.

Committee.

- A. The Committee's primary responsibility is one of oversight and review.
- B. The Committee shall be responsible for the appointment, compensation, retention and oversight of the work of the Independent Auditor.
- C. The Independent Auditor shall report directly to the Committee.
- D. The Committee shall report regularly to the Board and shall seek to maintain free and open lines of communications between the members of the Committee and the Independent Auditor.
- E. In discharging its oversight role, the Committee is empowered, in its discretion, to investigate any matter it discovers or that is brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.
- F. The Committee will perform an annual self-evaluation of the performance of the Committee and report to the Board on the results of such evaluation.

III. Membership

- A. The Committee shall consist of at least three (3) of the independent members of the Board. The members of the Committee shall be appointed by action of the Board and shall serve in such capacity as long as they continue to serve as independent members of the Board.
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- B. The Board shall designate one Committee member as the Committee's chair ("**Chair**").
- C. Each Committee member shall have no material relationship with the Company and shall satisfy the independence requirements of the Company, Nasdaq, the Securities Exchange Act of 1934 ("**Exchange Act**"), and the rules and regulations of the Securities and Exchange Commission ("**SEC**").
- D. Each Committee member shall be financially literate in accordance with regulatory requirements or must become financially literate in accordance with such requirements within a reasonable timeframe after his or her appointment to the Committee.
- E. At least one Committee member shall have accounting or related financial management expertise in accordance with regulatory requirements, and at least one Committee member shall, in the judgment of the Board, be an "audit committee financial expert" as such term is defined from time to time in rules and regulations promulgated by the SEC. This includes 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 being or have been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

IV. Committee Organization and Procedure

- A. Review and assess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.
- B. The Chair (or in his or her absence, a member designated by the Chair or a majority of the members of the Committee present at the meeting) shall preside at all meetings of the Committee.
- C. The Committee shall have the authority to establish its own rules and procedures consistent with the compliance policies and procedures and Bylaws of the Company for notice and conduct of its meetings, should the Committee, in its discretion, deem it desirable to do so.
- D. The Committee shall meet as often as it determines is necessary or appropriate to carry out its responsibilities under this Charter, but not less frequently than quarterly. The Chair of the Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall schedule such meetings at such times as the Committee deems appropriate to discharge its responsibilities.
- E. The Committee may, in its discretion, include in its meetings members of the

Company's management (including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), representatives of the Independent Auditor, external legal counsel retained by the Company, the Board or the Audit Committee, other financial personnel employed or retained by the Company.

- F. The Committee shall, in its discretion, receive information and participate in informal meetings and briefings with management, as necessary and appropriate between formal meetings of the Committee. Such briefings and informal meetings may be through the Committee Chair or individual Committee members, as appropriate.
- G. The Committee may delegate its authority to the Chair of the Committee when it deems it appropriate and in the best interests of the Company.
- H. Compensation for the Committee members shall be determined by the Board, based upon recommendation of the Compensation Committee.

V. **Authority and Responsibilities**

In addition to any other responsibilities that may be assigned from time to time by the Board, the Committee is responsible for the following matters:

A. Oversight of the Independent Auditor

1. The Committee has the sole authority to appoint, compensate, retain, terminate, and oversee the Independent Auditor, including the sole authority to approve all audit engagement fees and terms and all non-audit services to be provided by the Independent Auditor. In addition, the Committee shall have the ability to replace the Independent Auditor for the purpose of preparing or issuing an audit report or performing other audit, review and attestation services.
 2. The Independent Auditor shall be ultimately accountable to the Committee in connection with the consolidated audited financial statements and other audit and non-audit services provided to the Audit Committee and the Board.
 3. At least annually, the Committee shall evaluate the independence of the Independent Auditor by ensuring that the Independent Auditor submits to the Committee a formal written report delineating all relationships between the Independent Auditor and the Company, including any non-audit service provided to the Company, and the matters set forth in Public Company Accounting Oversight Board ("PCAOB") rules or other applicable laws, regulations or standards. The Committee shall review and evaluate such report and engage in a dialogue with the Independent Auditor with respect to any disclosed relationships or services that may impact its objectivity and independence.
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4. The Committee shall obtain, review and evaluate, at least annually, a report by the Independent Auditor describing the Independent Auditor's internal quality control procedures, any material issues raised by the most recent internal quality control review, peer review, or PCAOB review, of the Independent Auditor, 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 Independent Auditor, and any steps taken in response to any such issues.
5. The Committee shall, to the extent deemed necessary or appropriate by the Committee in its sole discretion, obtain and review all reports from the Independent Auditor on:
 - a. All critical accounting policies and practices used;
 - b. All alternative treatments of financial information within GAAP that have been discussed with management of the Company, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor (which shall be discussed by the Committee with the Board); and
 - c. Other material written communications between the Independent Auditor and the management of the Company.
6. The Committee shall, to the extent deemed necessary or appropriate by the Committee in its sole discretion, review with the Independent Auditor any problems, difficulties, or delays encountered during its audit, including any restrictions on the scope of the Independent Auditor's activities or access to requested information, and any significant disagreements with the Company's management, together with the Company's management's response to such disagreements.
7. The Committee shall, to the extent deemed necessary or appropriate by the Committee in its sole discretion, review the experience and qualifications of the lead partner staffed by the Independent Auditor on the audits and confirm that all necessary and appropriate partner rotation requirements are enforced.
8. Obtain from the independent accounting firm assurances of compliance with the Sarbanes-Oxley Act of 2002.

B. Oversight of the Company's Internal Accounting Capabilities and Internal Controls

The Committee shall, to the extent deemed necessary or appropriate by the Committee in its sole discretion:

1. Review the significant reports to Company management, or summaries thereof, prepared by the internal accounting staff, management's responses and the status of associated remediation plans.
2. Discuss, as appropriate, the adequacy of the Company's internal controls with the internal accounting staff and the Independent Auditor and management including, without limitation, reports from the CFO regarding significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting or any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
3. Review and discuss, as appropriate, any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted considering any material control deficiencies detected.
4. Review and discuss with Company management, the internal accounting staff and Independent Auditor management's annual report on and the Independent Auditor's evaluation of the effectiveness of the Company's internal controls over financial reporting. Receive reports from management regarding management's quarterly evaluations of changes in its internal controls over financial reporting and discuss with management, the internal accounting staff and Independent Auditor, as appropriate, such matters.
5. Review the annual plan and scope of work and coverage of the internal accounting staff, including management's risk-based approach to the development of the annual plan, and receive updates on significant changes in scope of the annual plan and coverage during the year, as appropriate.
6. Review the responsibilities, budget, resources and staffing of the internal accounting staff, including any outsourcing of services.

C. Financial Statements; Disclosure, Other Risk Management and Compliance Matters

1. The Committee shall, to the extent deemed necessary or appropriate by the Committee in its sole discretion, review and approve:
 - a. The annual audited consolidated financial statements, related footnotes, disclosures and all required management certifications, including the disclosures under "Management's Discussion and Analysis of Financial
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Conditions and Results of Operations,” prior to the filing of the relevant Form 10-K;

- b. The quarterly financial statements and related footnotes, disclosures and all required management certifications, including the disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” prior to the filing of the relevant Form 10-Q;
 - c. Any analyses or other written communications prepared by management, and/or the Independent Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and,
 - d. Any related party transactions that would be subject to public disclosure under applicable law and regulations.
2. The Committee or its Chair may review any earnings press releases and other external presentations of performance metrics as the Committee or the Chair deems appropriate.
 3. The Committee, in conjunction with the financial and executive management of the Company, shall, to the extent deemed necessary or appropriate by the Committee in its sole discretion, review the internal controls and disclosure controls and procedures, including whether there are any significant deficiencies in the design or operation of such controls and procedures, material weaknesses in such controls and procedures, any corrective actions taken with regard to such deficiencies and weaknesses, and any fraud involving management or other employees with a significant role in such controls and procedures.
 4. The Committee shall, to the extent deemed necessary or appropriate by the Committee in its sole discretion, review and discuss with the Independent Auditor any audit problems or difficulties and management’s responses thereto, including those matters required to be discussed with the Committee by the Independent Auditor pursuant to PCAOB standards.

D. Reporting to the Board

1. The Committee shall report to the Board the matters discussed at the last meeting of the Committee. This report shall include a review of any issues that arose with respect to the quality or integrity of the financial statements, compliance with legal and regulatory requirements, the qualifications, independence and performance of the Independent Auditor, compliance by the Company with legal
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and regulatory requirements and any other matters that the Committee deems appropriate or is requested to be included by the Board.

2. The Committee shall evaluate the Independent Auditor's qualifications, performance and independence, and shall present its conclusions and recommendations with respect to the Independent Auditor to the Board on at least an annual basis.
 3. At least annually, the Committee shall evaluate, review and assess its own performance and report to the Board on such self-evaluation.
 4. The Committee shall, on an annual basis, review and assess the adequacy of this Charter and, if necessary, recommend any proposed changes to the Board.
 5. The Committee shall receive periodic reports from the Company's CFO relating to significant accounting developments including emerging issues and the impact of accounting changes where material, and, as appropriate, report such changes to the Board.
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