BOXABL

Audit Committee Charter

I. Membership and Term

The Audit Committee (the "Committee") of the board of directors (the "Board") of Boxabl Inc. (the "Company") shall consist of at least three directors who meet the criteria for independence during their term of service.

No member of the Committee may serve simultaneously on the audit committee of more than two (2) other public companies without prior approval of the Board. In addition, the Chairman of the Committee may not serve simultaneously on the audit committee of more than one (1) other public company.

A. Independence Requirements

Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended, and the requirements of Nasdaq Listing Rules 5605(a)(2) and 5605(c)(2). For purposes of making this determination, references to the Company include any parent or subsidiary unless otherwise specified below.

Accordingly, Committee members shall not:

1. Have been employed by, or affiliated with, the Company during the last three years;
    a. A person affiliated with the Company means a person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company;

        Examples of affiliates include a director who is also an employee of an affiliated entity, a general partner of an affiliated entity or a managing member of an affiliated limited liability company;

        Control means the ability to direct or cause the direction of the management and policies of the Company, whether through ownership of voting securities, by contract, or otherwise.
    b. A person will not be deemed to be in control for purposes of this independence determination if such person does not have beneficial ownership, directly or indirectly, of 10% or more of any class of voting securities issued by the Company, and is not an Executive Officer of the Company;
2. Have a Family Member (defined below) who is, or at any time during the past three years was, employed by the Company as an Executive Officer;
3. Accept directly or indirectly any type of compensation from the Company other than for services in the capacity as director;
    a. Indirect acceptance of compensation includes acceptance of such a fee by:
        i. A spouse, a minor child or stepchild or a child or stepchild sharing a home with the Committee member;
        ii. An entity in which the Committee member is a partner, member, an officer (for example, a managing director having a comparable position or executive officer) or holds a similar position and that entity provides accounting, consulting, legal, investment banking or financial advisory services to the Company or its subsidiaries;

4. Have a Family Member who received compensation from the Company in excess of $120,000 during any consecutive 12-month period within the three years preceding the determination of independence unless:
   a. Such amount was paid for Board or committee service; or
   b. The Family Member was an employee but not an Executive Officer of the Company; or
   c. Such amount consists of benefits under a tax-qualified retirement plan or non-discretionary compensation;
5. Have or has a Family Member with an interest in any transaction involving the Company in which the amount exceeds the lesser of $120,000 or one percent of the average of the Company's total assets at year end for the last two completed fiscal years;
6. Serve as, or have a Family Member who serves as, a partner, a controlling shareholder or an Executive Officer of any organization to which the Company made, or from which the Company received, payments for property or services in any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year or $200,000, whichever is more, unless such payments relate solely to investments in the Company's securities or were made under a non-discretionary charitable contribution matching program;
7. Be employed as an Executive Officer, or have a Family Member employed as an Executive Officer, of another entity where at any time during the last three years any of the Company's Executive Officers served on the compensation committee of such other entity;
8. Have participated in the preparation of the financial statements of the Company or any current subsidiary within the last three years;
9. Serve as partner, or have a Family Member who is a current partner, of the Company's outside auditor; or who was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during the last three years; and
10. Serve as partner in a law firm that receives payments from the Company.

"Executive Officer" means the Company's Chief Executive Officer, Principal Financial Officer, Principal Accounting Officer, the Controller, the Director of Marketing, the General Counsel, the President or any Vice President in charge of a principal business unit, division or function (such as sales, administration or finance), and any other officer who performs a policy-making function for the Company, including officers of the Company's parent or subsidiaries.

"Family Member" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.

B. Knowledge and Experience Requirements

1. All Committee members must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

2. At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K, meaning that individual has each of the following:
    a. An understanding of generally accepted accounting principles and financial statements;
    b. The ability to assess the general application of such principlesin connection with the accounting for estimates, accruals and reserves;
    c. Experience in, or have actively supervised others, preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the Company’s financial statements in terms of complexity or accounting issues;
    d. An understanding of internal control over financial reporting;
    e. An understanding of audit committee functions; and
    f. Have the following experience:
        i. Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor, or experience in one or more positions that involve the performance of similar functions;
        ii. Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
        iii. Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
        iv. Other relevant experience.

A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise.

C. Term

The members of the Committee shall be appointed by the Board based on recommendations from the nominating and corporate governance committee of the Board. The members of the Committee shall be appointed for one-year terms, and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

II. Purpose

The purpose of the Committee is to assist the Board with oversight of:

- The integrity of the Company’s financial statements,
- Compliance with legal and regulatory requirements,
- The Company’s independent registered auditors’ qualifications and independence, and
- The performance of the Company’s independent registered auditors.

The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on:

- Management for the preparation and accuracy of the Company's financial statements;
- Management for establishing effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations; and
- The Company's independent auditors for an unbiased, diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls.

The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

III. Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

A. Retention and Compensation of the Independent Auditor

1. To select and retain an independent registered public accounting firm to act as the Company's independent auditors for the purpose of auditing the Company's annual financial statements, books, records, accounts and internal controls over financial reporting, subject to ratification by the Company's stockholders of the selection of the independent auditors;
2. Set the compensation of the Company's independent auditors;
3. Oversee the work done by the Company's independent auditors, including:
    a. Pre-approve all audit and permitted non-audit and tax services that may be provided by the Company's independent auditors or other registered public accounting firms;
    b. Establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditors or other registered public accounting firms on an on-going basis;
4. Terminate the Company's independent auditors, if necessary; and
5. To select, retain, compensate, oversee and terminate, if necessary, any other registered 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.

B. Oversight of the Independent Auditor and Its Services to the Company

At least annually, the Audit Committee will undertake the following:

1. Review and discuss a report prepared by the Company's independent auditors that describes:
    a. The accounting firm's internal quality control procedures;

   b. Any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues; and
   c. All relationships between the firm and the Company or any of its subsidiaries, including any services that may impact the objectivity and independence of the auditors.
2. At least annually, the Audit Committee will evaluate the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner at the Company's independent auditors and consider regular rotation of the accounting firm serving as the Company's independent auditors.
3. To set Company hiring policies for employees or former employees of the Company's independent auditors that participated in any capacity in any Company audit.

C. Related Party Transactions and Other Conflicts

1. The Committee shall keep the Company's independent auditors informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company; and
2. Review and discuss with the Company's independent auditors the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

D. Communications and Oversight Related to Financial Reporting and Internal Controls

The Committee shall undertake the following responsibilities regarding the Company's financial reporting processes, including quality and adequacy of those processes, and internal controls, including disclosure controls and procedures and internal controls over financial reporting.

1. Communications with the Independent Auditor Regarding the Audit and the Company's Financial Reporting

The Committee shall review and discuss with the Company's independent auditors:

a. The auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process;
b. The overall audit strategy;
c. The scope and timing of the annual audit;
d. Any significant risks identified during the auditors' risk assessment procedures;
e. When completed, the results, including significant findings, of the annual audit;
f. All critical accounting policies and practices to be used in the audit;

g. All alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and
h. Other material written communications between the auditors and management.

Additionally, the Committee will review and discuss with the Company's independent auditors any other matters required to be discussed by PCAOB Auditing Standards No. 1301, Communications with Audit Committees, including, without limitation, the auditors' evaluation of the quality of the Company's financial reporting, information relating to significant unusual transactions and the business rationale for such transactions and the auditors' evaluation of the Company's ability to continue as a going concern, and other applicable requirements of the PCAOB and the SEC.

2. Communications with Management and the Independent Auditor Regarding Problems or Difficulties Encountered During the Audit

The Committee shall review and discuss with the Company's independent auditors and management:

a. Any audit problems or difficulties, including difficulties encountered by the Company's independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information);
b. Any significant disagreements with management; and
c. Management's response to these problems, difficulties or disagreements; and to resolve any disagreements between the Company's auditors and management.

3. Communications with Management and the Independent Auditor Regarding Quality of Financial Reporting Process, Assessment of and Changes to Internal Controls

To review with management and the Company's independent auditors:

a. Any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles;
b. Any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative GAAP methods; and
c. The effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.
d. The adequacy and effectiveness of the Company's financial reporting processes, including:
a. Internal control over financial reporting and disclosure controls and procedures, including:
b. Any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's processes, controls and procedures;
c. Any special audit steps adopted in light of any material control deficiencies; and
d. Any fraud involving management or other employees with a significant role in such processes, controls and procedures.

4. Oversight of Financial Statements and Financial Information, including SEC Filings

a. With respect to the Annual Report on Form 10-K, the Committee shall review and discuss with management and the Company's independent auditors:

   i. Disclosure relating to the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures;

   ii. The independent auditors' report on the effectiveness of the Company's internal control over financial reporting;

   iii. The required management certifications to be included in or attached as exhibits to the Company's annual report on Form 10-K or quarterly report on Form 10-Q, as applicable;

   iv. The Company's annual audited financial statements (including the related notes);

   v. The form of audit opinion to be issued by the auditors on the financial statements;

   vi. The disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's annual report on Form 10-K before the Form 10-K is filed with the SEC; and

   vii. Recommend to the Board whether the audited financial statements, and the related MD&A disclosure, should be included in the Company's annual report on Form 10-K for filing with the SEC; and to produce the audit committee report required to be included in the Company's proxy statement;

b. With respect to the Quarterly Report on Form 10-Q, the Committee shall review and discuss with the Company's independent auditors and management:

   i. The Company's quarterly financial statements;

   ii. The disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" to be included in the Company's quarterly report on Form 10-Q before the Form 10-Q is filed; and

   iii. Disclosure relating to the Company's financial reporting processes, internal control over financial reporting and disclosure controls and procedures;

c. With respect to the Company's other public release of financial information, including earnings press releases (if any), the Committee shall review and discuss with management and the Company's independent auditors:

   i. The Company's earnings press releases, including the type of information to be included;

   ii. Its presentation of financial information and the use of any pro forma, adjusted or other non-GAAP financial information; and

   iii. Any financial information and earnings guidance provided to analysts and ratings agencies, including the type of information to be disclosed and type of presentation to be made.

IV. Oversight of Company Risks, Including Whistleblower Program

To establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

To review and discuss with management the risks faced by the Company and the policies, guidelines and process by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and risks related to permitting and licensing, environmental risk, cybersecurity, liability stemming from third parties, supply chain issues, litigation risk, oversight of the Company's personnel, and the steps management has taken to monitor and control such exposures.

To review the Company's compliance with applicable laws and regulations and to review and oversee the Company's policies, procedures and programs designed to promote and monitor legal, ethical and regulatory compliance, including enforcement of such Company policies.

To monitor compliance with the Company's Code of Ethics: Our Values, Conduct and Behavior (the "Code"), to investigate any alleged breach or violation of the Code, and to enforce the provisions of the Code.

To review, with the General Counsel and outside legal counsel, legal and regulatory matters, including legal cases against or regulatory investigations of the Company and its subsidiaries, that could have a significant impact on the Company's financial statements.

To review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis, and to develop policies and procedures for the Committee's approval of related party transactions.

V. Outside Advisors

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

VI. Structure and Operations

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least four (4) times a year (a minimum of once each quarter) at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee shall also meet separately, and periodically, with management and representatives of the Company's independent auditors, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities as set out above. However, the Committee shall meet regularly without such individuals present.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

VII. Subcommittees

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two Committee members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

VIII. Performance Evaluation

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.