

Trecora Resources

Fourth Amended and Restated Audit Committee Charter

(Amended May 15, 2019)

I. Purpose

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Trecora Resources ("Trecora Resources") is:

1. To assist the Board in monitoring (a) the integrity of the financial statements of Trecora Resources, (b) the independent auditor's qualifications and independence, (c) the compliance by Trecora Resources with legal and regulatory requirements, (d) Trecora Resources' accounting and financial reporting processes and audits of Trecora Resources' financial statements and (e) related party transactions.

2. To prepare or cause the preparation of the report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in Trecora Resources' annual proxy statement.

3. To perform such other duties and responsibilities as are enumerated in and consistent with this charter.

II. Membership

1. **Membership and Appointment.** The Committee shall consist of at least three members or such greater number of directors as the Board appoints. Committee members will serve for such terms as the Board may fix, and in any case at the Board's will, whether or not a specific term is fixed.

2. **Qualifications; Independence; Financial Literacy.** All members of the Committee shall meet the independence and experience requirements of the New York Stock Exchange ("NYSE"), Section 10A-3 of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Commission, and as such cannot, subject to certain limited exceptions (a) accept, directly or indirectly, any consulting, advisory, or other compensatory fee (other than Board or committee fees) from Trecora Resources or its subsidiaries, or (b) be an affiliated person of Trecora Resources or its subsidiaries. If a Committee member serves on more than three public company audit committees, the Board must determine that such service does not impair the ability of the member to serve effectively and this determination must be disclosed on Trecora Resources' website or in its annual proxy statement or Form 10-K. At least one member of the Committee shall be an "audit committee financial expert" as defined by the rules and regulations of the Commission. All members of the Committee shall be "financially literate" and have a working familiarity with basic finance and accounting practices.

3. **Removal.** Subject to applicable listing standards, the Committee or any individual director on the Committee may be removed with or without cause by the affirmative vote of a majority of the Board in accordance with Trecora Resource's bylaws.

4. **Chair.** The Board may designate a Chair of the Committee (the "Chair"). In the absence of such designation, the Committee may designate the Chair by majority vote of the Committee. From time to time the Chair may establish such other rules as are necessary and proper for the conduct of the business of the Committee.

III. Procedures

1. **Number of Meetings.** The Committee will convene at least four times each year, with additional meetings as appropriate and necessary to carry out its duties and responsibilities. The Committee may request any officer or employee of Trecora Resources or Trecora Resources' outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

2. **Quorum.** A quorum of the Committee will consist of at least 50% of the members of the Committee.

3. **Agenda.** The Chair will establish the agenda, with input from management, staff and other directors on the Committee and the Board as appropriate. Whenever reasonably practicable, the agenda will be circulated to each member prior to the meeting.

4. **Minutes.** Minutes of each meeting of the Committee shall be kept to document the discharge by the Committee of its responsibilities. The Chair shall designate a person who need not be a member thereof to act as secretary of the Committee.

5. **Authority to Retain Advisors.** The Committee shall have the authority without prior Board approval, to the extent it deems necessary or appropriate, to retain (and approve compensation of) independent legal, accounting or other advisors. Trecora Resources shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report, for payment of compensation to any advisors employed by the Committee and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6. **Charter Review.** The Committee annually will review and reassess the adequacy of this charter and will submit any recommended changes to the charter to the Nominating and Governance Committee and the Board for approval.

7. **Performance Review.** The Committee annually will undertake an evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in this charter, and will report the results of such evaluation to the Nominating and Governance Committee and the Board.

8. **Reporting to the Board.** The Committee will report regularly to the Board with respect to the Committee's activities.

IV. Responsibilities

The following responsibilities of the Committee are set forth as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable laws and listing standards.

1. **External Auditor Selection and Evaluation.** The Committee shall have the sole authority to appoint or replace the independent auditor (subject, if applicable, to shareholder ratification). The Committee shall be solely and directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and shall have sole power to approve all audit engagement fees and terms. The independent auditor shall report directly to the Committee. The Committee shall work closely with the independent auditor to understand the auditor's activities and to identify and resolve issues; oversee dissemination of earnings press releases, financial information and earnings guidance; provide oversight to the internal audit function; take an effective approach to risk oversight and governance (particularly with respect to financial risks); oversee the establishment of appropriate internal controls and antifraud programs; monitor management of Trecora Resources' Standards of Business Conduct; and establish a process for investigating

allegations of misconduct.

2. **External Auditor Pre-Approval.** The Committee shall preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for Trecora Resources by its independent auditor, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit.

3. **Delegation of Pre-Approval Authority.** The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting.

4. **Annual Financial Reporting.** Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in Trecora Resources' annual report on Form 10-K.

5. **Interim Reports.** Review and discuss with management and the independent auditor Trecora Resources' quarterly financial statements, including disclosures made in management's discussion and analysis, prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.

6. **Discussion of Significant Matters with Management.** Discuss with management and the independent auditor (and review any related analysis prepared by management and/or the independent auditor) significant matters relating to:

(a) the quality and acceptability of the accounting principles, applied in Trecora Resources' financial statements;

(b) any major issues as to the adequacy of Trecora Resources' internal controls, critical accounting policies and any special steps adopted in light of material control deficiencies;

(c) new or changed accounting policies, and significant estimates, judgments, uncertainties or unusual transactions; and

(d) any off-balance sheet transactions and relationships with any unconsolidated entities or any other persons that may have a material current or future effect on the financial condition or results of Trecora Resources and are required to be reported under Commission rules.

7. **Critical Accounting Policy Report.** Review and discuss quarterly reports from the independent auditors on:

(a) all critical accounting policies and practices to be used;

(b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and

(c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

8. **AS 16 Review.** Discuss with the independent auditor the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") Auditing Standard No. 16 relating to the conduct of the audit.

9. **Discussion of Significant Matters with Chief Executive Officer and Chief Financial Officer.** Review disclosures made to the Committee by Trecora Resources' Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in Trecora Resources' internal controls. Review and discuss any significant changes in internal controls with the Chief Financial Officer and Chief Executive Officer.

10. **Audit Partner.** Review and evaluate the lead partner of the independent auditor team. Discuss with the independent auditors the matters required to be discussed by PCAOB, including the rotation of the audit partners as required by applicable laws and regulations.

11. **Internal Controls and Compliance Policies.** Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm, (c) any steps taken to deal with any such issues and (d) all relationships between the independent auditor and Trecora Resources. Evaluate the qualifications, performance, objectivity and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's objectivity and independence, taking into account the opinions of management and internal auditors. The Committee shall present its conclusions with respect to the independent auditor to the Board.

12. **External Auditor Communication.** Obtain and review a report from the independent auditor annually regarding any audit issues on which they consulted their national office.

13. **External Auditor Staffing.** Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act (relating to illegal acts) has not been implicated.

14. **Code of Ethics.** Obtain reports from management and the independent auditor that Trecora Resources and its affiliated entities are in conformity with applicable legal requirements and Trecora Resources' Standards of Business Conduct. Review reports and disclosures of insider and related party transactions. Advise the Board with respect to Trecora Resources' policies and procedures regarding compliance with applicable laws and regulations and with Trecora Resources' Standards of Business Conduct.

15. **Criticisms.** Establish procedures for the receipt, retention and treatment of complaints received by Trecora Resources regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

16. **Government Agency or Regulator Correspondence.** Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding Trecora Resources' financial statements or accounting policies.

17. **Outside Counsel.** Discuss with Trecora Resources' outside counsel, to the extent deemed appropriate, legal matters that may have a material impact on the financial statements or Trecora Resources' compliance policies.

18. **Related Party Transactions Oversight.** Review and, if appropriate, approve all related party transactions as defined by applicable law, Commission rules and NYSE listing standards.

19. **Internal Audit Reports.** As required by NYSE listing requirements, Trecora Resources

must have an internal audit function to provide management and the Committee with ongoing assessments of risk management processes and systems of internal control. The Committee shall obtain reports from the internal auditors and review, approve and advise the Board with respect to same.

20. **General.** The Committee will fulfill any other duties or responsibilities the Committee deems necessary or appropriate as are consistent with the purpose of this charter, Trecora Resources' corporate governance documents and applicable listing standards, laws and regulations, or as expressly delegated to the Committee by the Board from time to time.

V. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this charter, its function is one of oversight only and it is not the duty of the Committee to:

1. make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Trecora Resources,
2. devise and maintain an effective system of internal accounting controls,
3. devise and maintain effective disclosure controls and procedures and internal controls over financial reporting,
4. prepare financial statements,
5. plan or conduct audits, or
6. determine that Trecora Resources' financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations or fairly present Trecora Resources' financial condition, results of operations and cash flow. These are the responsibilities of management and/or the independent auditor.

Nothing in this charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the Committee on reports or other information provided by others.