



## CHARTER OF THE AUDIT COMMITTEE OF MDF COMMERCE INC.

### I. Role and Purpose

The Audit Committee (sometimes referred to herein as the “**Committee**”) is a committee of the Board of mdf commerce inc. (the “**Corporation**”). The primary function of the Audit Committee is to assist the Board members in fulfilling their roles by:

1. recommending to the Board the appointment and compensation of the external auditor;
2. overseeing the work of the external auditor engaged for the purposes of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of any issues between the external auditor and management;
3. pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation or its subsidiaries by the external auditor;
4. reviewing and recommending the approval of the annual and interim financial statements, related management discussion and analysis (“**MD&A**”), and annual and interim earnings press releases before such information is publicly disclosed;
5. ensuring and being satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information, other than those described in 4. above, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;
6. reviewing and approving any proposed hiring of current or former partners or employees of the current and former auditor of the Corporation or its subsidiaries; and
7. establishing procedures for the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls, or auditing matters, including the anonymous submission by employees of concerns respecting accounting or auditing matters.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in this Charter. However, it is not the duty of the Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles (“**GAAP**”), to conduct investigations, or to assure compliance with laws and regulations or the Corporation's or the Corporation's internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor, as the case may be.

## **II. Composition of the Committee and Meetings**

1. The Audit Committee must be constituted as required under Multilateral Instrument 52-110, as it may be amended from time to time (“**MI 52-110**”).
2. All members of the Committee must (except to the extent permitted by MI 52-110) be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements).
3. The members of the Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.
4. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a Director. The Board may fill vacancies on the Audit Committee by election from among the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all of its powers so long as a quorum remains.
5. The Committee shall meet at least four times annually, or more frequently as circumstances require.
6. The Committee Chair may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation, and others as they consider appropriate.
7. In order to foster open communication, the Committee or its Chair shall meet at least once a year with management and the external auditor in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements.
8. Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall determine by resolution.
9. Meetings of the Audit Committee shall be held from time to time and at such place as any member of the Committee shall determine upon reasonable notice to each of its members, which shall not be less than 48 hours. The notice period may be waived by all members of the Committee. Each of the Chairman of the Board and the external auditor, and the Chief Executive Officer, the Chief Financial Officer or the Vice President, Corporate Development and Secretary of the Corporation, shall be entitled to request that any member of the Committee call a meeting.
10. The Committee shall determine any desired agenda items.

### **III. Activities**

The Audit Committee shall, in addition to the matters described in I:

1. Review on an annual basis and recommend to the Board changes to this Charter as considered appropriate from time to time.
2. Review the public disclosure regarding the Audit Committee required by MI 52-110.
3. Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Corporation to assess their independence.
4. Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.
5. Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
6. Arrange for the external auditor to be available to the Committee and the Board as needed.
7. Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor.
8. Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.
9. Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.
10. Consider proposed major changes to the Corporation's accounting principles and practices.
11. If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.
12. Review the scope and plans of the external auditor's audit and reviews. The Committee may authorize the external auditor to perform supplemental reviews or audits as the Committee may deem desirable.
13. Periodically consider the need for an internal audit function, if not present.
14. Following completion of the annual audit and, if applicable, quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

15. Review with the external auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
16. Review activities, organizational structure and qualifications of the chief financial officer and the staff in the financial reporting area and see to it that matters related to succession planning are raised for consideration by the Board.
17. Review management's program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

#### **IV. General Matters**

1. The Committee is authorized to retain independent counsel, accountants, consultants and any other professionals (“**Advisors**”) it deems necessary to carry out its duties, and the Committee shall have the authority to determine the compensation of and to cause the Corporation to pay any such Advisors.
2. The Committee is authorized to communicate directly with the external (and, if applicable, internal) auditors as it sees fit.
3. If considered appropriated by it, the Committee is authorized to conduct or authorize investigations into any matters within the Committee's scope of responsibilities, and to perform any other activities as the Committee deems necessary or appropriate.
4. Notwithstanding the foregoing and subject to applicable law, the Committee shall not be responsible for preparing financial statements, for planning or conducting internal or external audits or for determining that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, as these are the responsibility of management and in certain cases the external auditor, as the case may be. Nothing contained in this Charter is intended to make the Committee liable for any non-compliance by the Corporation with applicable laws or regulations.
5. The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to security holders of the Corporation or to any other liability whatsoever.

Adopted on June 14, 2011 by resolution of the Board of Directors.