



**MEDNOW INC.**

**AUDIT COMMITTEE CHARTER**

**MEDNOW INC.  
(the "Company")**

**AUDIT COMMITTEE CHARTER**

**PURPOSE**

The primary function of the Audit Committee (the "**Committee**") is to assist the Company's board of directors (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting, and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- (a) Serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements.
- (b) Review and appraise the performance of the Company's external auditors.
- (c) Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

**COMPOSITION OF THE AUDIT COMMITTEE**

The Committee will be comprised of at least three directors as determined by the Board, the majority of whom will not be officers, employees or control persons of the Company or of an affiliate of the Company.

At least one member of the Committee will have Canadian financial reporting skills and experience with audit engagements for public companies. All members of the Committee will be financially literate. For the purposes of this Audit Committee Charter (the "**Charter**"), the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee will be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a chairperson of the Committee (the "**Chair**") is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair must have Canadian financial reporting skills and experience with audit engagements for public companies.

**MEETINGS**

The Committee will meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

## **RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee will:

### ***Documents/Reports Review***

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, management's discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

### ***External Auditors***

- (a) Review annually, the performance of the external auditors who will be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, in accordance with any applicable regulatory requirements.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At least annually, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements, and discuss any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

#### **FINANCIAL REPORTING PROCESSES**

- (a) Review the draft financial statements and management's discussion and analysis with respect to each reporting period and provide a recommendation to the Board with respect to the approval of the financial statements and management's discussion and analysis.
- (b) Prior to approving the annual financial statements, review the results of management's evaluation of the effectiveness of the Company's internal controls over financial reporting and disclosure controls and procedures as at the date of the Company's annual financial statements.
- (c) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (d) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (e) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (f) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (g) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (h) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (i) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

- (j) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (k) Review certification process.
- (l) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**OTHER**

Review any related-party transactions.

**EFFECTIVE DATE**

This Charter was implemented by the Board on February \_\_\_\_, 2021.