



## AUDIT COMMITTEE CHARTER

### 3D Signatures Inc.

#### PURPOSE

The Audit Committee (the “Committee”) is responsible for performing the duties delegated to it by the Board of Directors (the “Board”) of 3D Signatures Inc. (the “Company”) to enable the Board to fulfill its oversight duties, in relation to:

- 1) the Company’s financial disclosure;
- 2) the qualifications and independence of the Company’s external auditor;
- 3) the performance and independence of the external auditor;
- 4) the compensation of the external auditors;
- 5) the credibility and objectivity of financial reports; and
- 6) receiving reports directly from the external auditor.

#### MEMBERS

The Committee shall consist of at least three members of the Board, the majority of whom shall not be officers, employees, or control persons of the Company (or any of the Company’s “Associates” or “Affiliates” (as those terms are defined in TSX Venture Corporate Finance Policy 1.1 - Interpretation)), and all of whom shall be *independent* and *financially literate* within the meaning of the Canadian Securities Administrators National Instrument 52 - 110 - *Audit Committees* (“NI 52 - 110”), or are otherwise in compliance with NI 52 - 110.

The members of the Committee shall be appointed by the Board and shall serve until their successors are appointed. The Board shall have the power at any time to remove members of the Committee and to fill vacancies in the Committee, subject to the Committee continuing to satisfy the composition requirements mentioned above. The Board shall designate one member of the Committee as its Chairman or delegate authority to designate a Chairman to the Committee.

#### OUTSIDE ADVISORS AND CONSULTANTS

The Committee is authorized, when deemed necessary or desirable, to retain and oversee independent counsel, outside experts and other advisors to advise the Committee or its members independently on any matter and to compensate such advisors at the Company’s expense. The Committee shall be directly responsible for the appointment, compensation and oversight of the

work of any independent advisor retained by the Committee. Prior to engaging any independent advisor, the Committee shall consider all factors relevant to the independence of the advisor from management, including any factors set forth in applicable stock exchange, securities commission rules, other applicable legislations, the Company Conflict of Interest Policy and if a conflict of interest exists, determine how to address such conflict of interest.

## **DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee specific to audit and finance matters, on behalf of the Board, shall include the following:

### *Financial Disclosure*

The Committee shall, all in accordance with NI 52 - 110:

- 1) unless otherwise determined by the Board, approve the Company's interim management's discussions and analyses (pursuant to delegation of authority by the Board);
- 2) review and recommend to the Board for approval, the Company's:
  - a) interim and annual financial statements;
  - b) annual management's discussions and analyses;
  - c) interim and annual earnings press releases; and
  - d) other documents containing audited or unaudited financial information, at its discretion;
    - (1) and report thereon to the Board before such documents are approved by the Board and disclosed to the public;
    - (2) be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the disclosure provided by the financial statements, management's discussions and analyses and earnings press releases, and shall periodically assess the adequacy of those procedures, including those included in the Corporate Disclosure and Trading Policy.

### *External Audit*

The Committee shall, all in accordance with NI 52 - 110:

- 1) recommend to the Board the external auditor to be appointed for purposes of preparing or issuing an auditor's report or performing any other audit, review or attest services for the Company;
- 2) review the terms of the external auditor's engagement, the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees,

and make a recommendation to the Board with respect to the compensation of the external auditor;

- 3) review the independence of the external auditor, including an annual report prepared by the external auditor regarding its independence;
- 4) meet with the external auditor and with management to review the audit plan, audit findings, and any restrictions on the scope of the external auditor's work;
- 5) review with the external auditor and management any changes in Generally Accepted Accounting Principles that may be material to the Company's financial reporting;
- 6) have the authority to communicate directly with the external auditor;
- 7) require the external auditor to report directly to the Committee;
- 8) directly oversee the work of the external auditor that is related to the preparation or issue of an auditor's report or other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- 9) meet with the external auditor to discuss the annual financial statements (including the report of the external auditor thereon) and the interim financial statements (including the review engagement report of the external auditor thereon);
- 10) review any management letter containing the recommendations of the external auditor, and the response and follow-up by management in relation to any such recommendations;
- 11) review any evaluation of the Company's internal control over financial reporting conducted by the external auditor, together with management's response;
- 12) pre-approve (or delegate such pre-approval to one or more of its independent members) in accordance with a pre-approval policy, all engagements for non-audit services to be provided to the Company or its subsidiary entities by the external auditor, together with all non-audit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;
- 13) review and approve the Company's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor;
- 14) in the event of a change of auditor, review and approve the Company's disclosure relating thereto.

#### *Risk Oversight*

In performing its duties and exercising its powers, the Committee shall consider and address:

- 1) the risks related to the establishment, maintenance and implementation of disclosure controls and procedures and internal control over financial reporting in relation to disclosure by the Company in accordance with applicable law; and
- 2) an Enterprise Risk Management system of which identifies any other risks that would reasonably be expected to have a material effect on the Company's ongoing business, affairs and/or reputation.

#### *Financial Complaints Handling Procedures*

The Committee shall establish procedures for:

- 1) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- 2) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### *Chief Executive Officer's Expense Reports*

The Chairman of the Committee shall review on an annual basis, the expense reports of the Chief Executive Officer. Following this review, the Chairman shall report to the Committee. The Chairman shall have the authority to approve all expense claims prior to such expense claims being submitted for payment.

#### *Subsidiaries*

- 1) With respect to any Material Operating Subsidiary in the corporate ownership chain between the Company and any Direct Subsidiary, the Committee shall review the financial statements of that Material Operating Subsidiary.
- 2) With respect to any Direct Subsidiary:
  - a) the Committee shall rely on the review and approval of the financial statements of the Direct Subsidiary by the audit committee and the board of directors of the Direct Subsidiary, and on reports or opinions of the external auditor on those financial statements;
  - b) the Committee shall receive a copy of the charter of the Direct Subsidiary's audit committee, together with a memorandum summarizing its meeting processes and structure ("Process Memorandum"); and

- c) at each meeting of the Committee, the secretary of the Committee shall table a report from the secretary of the Direct Subsidiary's audit committee confirming that the processes mandated by its charter and Process Memorandum have been followed.
- d) For these purposes:
  - i) "Material Operating Subsidiary" means an operating subsidiary whose net income represents 10% or more of the net income of the Company; and
  - ii) "Direct Subsidiary" means the first Material Operating Subsidiary entity below the Company in a corporate ownership chain that has an audit committee which is comprised of a majority of independent directors.

## **PROCEDURAL MATTERS**

In connection with the discharge of its duties and responsibilities, the Committee shall observe the following procedures:

- (1) Meetings - The Committee shall meet at least four times every year, and more often if necessary, to discharge its duties and responsibilities hereunder.
- (2) Quorum - A quorum at any meeting of the Committee shall be two Committee members.
- (3) Secretary - The Chairman, or any person appointed by the Chairman, shall act as secretary of meetings of the Committee.
- (4) Calling of Meetings - A meeting of the Committee may be called by the Chairman of the Committee, by the Chairman of the Board, by the external auditor of the Company, or by any member of the Committee. When a meeting of the Committee is called by anyone other than the Chairman of the Board, the Chairman of the Committee shall so inform the Chairman of the Board forthwith.

### *Auditor's attendance at meetings*

The external auditor shall be entitled to receive notice of every meeting of the Committee and, at the expense of the Company, to attend and be heard at any meeting of the Committee. If so requested by a member of the Committee, the external auditor shall attend every meeting of the Committee held during the term of office of the external auditor, in addition to the Annual General Meeting of Shareholders.

### *Access to information*

The Committee shall have access to any information, documents and records that are necessary in the performance of its duties and the discharge of its responsibilities under this Charter.

### *Review of Charter*

The Committee shall not less than annually review this Charter and recommend any changes to the Board as it may deem appropriate.

### *Reporting*

The Chairman of the Committee shall report to the Board, at meetings of the Board, and/or as otherwise required pursuant to NI 52 - 110, and shall promptly inform the Chairman of the Board of any significant issues raised during the performance of the functions as set out herein, by the external auditor or any Committee member, and shall provide the Chairman of the Board copies of any written reports or letters provided by the external auditor to the Committee.

### *In Camera Sessions*

The Committee shall periodically meet in camera alone, and meet separately with each of the external auditor and management, all as the Committee deems appropriate.