



**SANGOMA TECHNOLOGIES CORPORATION**  
**(the “Corporation”)**

**AUDIT COMMITTEE CHARTER**

**1. PURPOSE**

The Audit Committee (the “**Committee**”) is a committee of the board of directors of the Corporation (the “**Board**”). The members of the Committee and the chair of the Committee (the “**Chair**”) are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Corporation’s financial controls and reporting and monitoring whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

**2. COMPOSITION**

- 1) The Committee shall consist of a minimum of three members of the Board.
- 2) The Committee must be constituted as required under National Instrument 52-110– Audit Committees, as it may be amended or replaced from time to time (“**NI 52-110**”), and the Listing Rules of The Nasdaq Stock Market LLC (“**Nasdaq Listing Rules**”).
- 3) All members of the Committee must (except to the extent permitted by NI 52-110 and applicable phase-in exemptions under Nasdaq Listing Rules) be (i) independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee and (ii) independent within the meaning of Nasdaq Listing Rules and Rule 10A-3 promulgated by the U.S. Securities and Exchange Commission (and any successor rules thereto).
- 4) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or any of its related parties or subsidiaries.
- 5) All members of the Committee must (i) (except to the extent permitted by NI 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 accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements) and (ii) be able to read and understand fundamental financial statements. No member of the Committee shall have participated in the preparation of financial statements of the Corporation or any current subsidiary of the Corporation for the preceding three full fiscal years. At least one member of the Committee shall at all times be financially sophisticated (within the meaning set forth in the Nasdaq Listing Rules).

- 6) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy exists on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

### **3. Limitations on Committee's Duties**

In contributing to the Committee's discharge of its duties under this Charter, each will be obliged to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any Member a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject. Members are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations and reports made by management of the Corporation as to the non-audit services provided to the Corporation by the external auditor, (iv) financial statements of the Corporation represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

### **4. Meetings**

The Committee should meet not less than four times annually. The Committee should meet within 45 days following the end of the first three financial quarters of the Corporation and shall meet within 90 days following the end of the fiscal year of the Corporation. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall keep minutes of each meeting of the Committee. A copy of the minutes shall be



provided to each member of the Committee. The Committee shall report to the Board in a timely manner with respect to each of its meetings held, which may take the form of circulating copies of the minutes of such meeting.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor shall be entitled to request that the Chair call a meeting. If the Chair is absent from a meeting, the Committee members in attendance will serve as Co-Chairs for the purposes of that meeting.

The Committee shall determine any desired agenda items and may ask members of management and employees of the Corporation (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee shall have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with management, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the review and approval of the Corporation's interim financial statements.

## **5. Responsibilities:**

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority:

### **A. Disclosure**

- (a) to review, approve and recommend for Board approval the Corporation's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related management's discussion and analysis and press release;
- (b) to review, approve and recommend for Board approval the Corporation's annual financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form, and the related management's discussion and analysis and press release;



- (c) to review and approve any other press releases that contain material financial information and such other financial information of the Corporation provided to the public or any governmental body as the Committee requires;
- (d) to satisfy itself that adequate procedures have been put in place by management for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the related management's discussion and analysis;
- (e) to review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee;
- (f) to receive periodically management reports assessing the adequacy and effectiveness of the Corporation's disclosure controls and procedures;

#### B. Internal Control Over Financial Reporting

- (g) to review management's process to identify and manage the significant risks associated with the activities of the Corporation;
- (h) to review the effectiveness of the internal control systems for monitoring compliance with laws and regulations;
- (i) to receive periodical management reports assessing the adequacy and effectiveness of the Corporation's internal control systems;
- (j) to assess the overall effectiveness of the internal control and risk management frameworks through discussions with management and the external auditors and assess whether recommendations made by the external auditors have been implemented by management;

#### C. External Auditor

- (k) to recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor;
- (l) to have the authority to communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the Board as needed;
- (m) to advise the external auditor that it is required to report to the Committee, and not to management;



- (n) to monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor and resolving disagreements between the external auditor and management;
- (o) to review and discuss with the external auditor all critical accounting policies and practices to be used in the Corporation's financial statements, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the external auditor;
- (p) to review any major issues regarding accounting principles and financial statement presentation with the external auditor and management, including any significant changes in the Corporation's selection or application of accounting principles and any significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements.
- (q) to, if considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor;
- (r) to review and discuss on an annual basis with the external auditor all significant relationships they have with the Corporation, management or employees that might interfere with the independence of the external auditor;
- (s) to pre-approve all non-audit services to be provided by the external auditor, or delegate such pre-approval of non-audit services to the Chair of the Committee; provided that the Chair shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting;
- (t) to review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant;
- (u) to periodically consult with the external auditor out of the presence of management about (a) any significant risks or exposures facing the Corporation, (b) internal controls and other steps that management has taken to control such risks, and (c) the fullness and accuracy of the financial statements of the Corporation, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper;
- (v) to review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Corporation;



#### D. Audit

- (w) to review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report;
- (x) following completion of the annual audit and quarterly reviews, to 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;
- (y) to review any significant disagreements between management and the external auditor in connection with the preparation of the financial statements;
- (z) to review with the external auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
- (aa) to review the system in place to seek to ensure that the financial statements, management's discussion and analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements;

#### E. Other

- (bb) to inform the Board of matters that may significantly impact on the financial condition or affairs of the business;
- (cc) to review the public disclosure regarding the Committee required from time to time by NI 52-110;
- (dd) to review in advance, and approve, the hiring and appointment of the Corporation's Chief Financial Officer;
- (ee) to establish and oversee the effectiveness of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing under the Corporation's whistleblower policy; and
- (ff) to perform any other activities as the Committee or the Board deems necessary or appropriate.



5. **ACCESS TO PERSONNEL & INFORMATION**

The Committee shall have access to such officers and employees of the Corporation, the Corporation's independent auditors and its legal counsel, to separate legal counsel and advisors and to such information respecting the Corporation as it considers to be necessary or advisable in order to perform its duties and responsibilities.

6. **NO RIGHTS CREATED**

This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this charter should comply with all applicable law and the Corporation's constating documents, this Charter does not create any legally binding obligations on the Committee, the Board, any director or the Corporation.