

CLOUDMD SOFTWARE & SERVICES INC.

MANDATE OF THE AUDIT & RISK COMMITTEE

A. Purpose and Authority

The Audit & Risk Committee (the “**Audit Committee**”) of the Board of Directors (the “**Board**”) of the Company operates under authority delegated by the Board and reports to the Board. The Audit Committee assists the Board in fulfilling its duty to oversee the integrity of the Company's processes related to financial reporting, relations with the external auditor, internal and disclosure controls, risk management and the creation of a culture of ethical business conduct. The Audit Committee will meet regularly with the Company's personnel and the Company's external auditors to review these matters and to discuss internal controls over the financial reporting processes, disclosure controls, auditing matters and financial reporting issues. The Audit Committee Chair (the “**Chair**”) will report on the Audit Committee's activities at every quarterly meeting of the Board. The Audit Committee will be provided with necessary resources to fulfill the duties and responsibilities assigned to it by the Board including the retention of such legal, accounting, financial and other consultants as it may deem necessary. The Audit Committee will also have the discretion to institute investigations of improprieties or suspected improprieties within the scope of its responsibilities, as it determines necessary.

The authority, organization and role of the Audit Committee reflect the requirements of the applicable securities laws, the rules and policies of the TSX Venture Exchange, and any other pertinent legislation with which the Company must comply.

B. Organization

- 1. Number and Qualifications** – The Chair and members of the Audit Committee are appointed annually by the Board. The Audit Committee consists of three or more directors and is composed entirely of independent directors, all of whom must meet the independence and financial literacy requirements of applicable securities laws and any other pertinent legislation. A director appointed to the Audit Committee will be a member of the Audit Committee until replaced by the Board or until their resignation.
- 2. Chair of Committee** - The Chair shall be chosen by the Board and shall serve in that capacity until the next annual general meeting of shareholders of the Company or until their earlier resignation or removal by resolution of the Board.
- 3. Quorum and Invitees** - A majority of the members of the Audit Committee will form a quorum. Subject to invitation, meetings will usually include the Chief Executive Officer (the “**CEO**”) and the Chief Financial Officer (the “**CFO**”) of the Company. Attendees may also include other directors, the external auditor or other representatives and employees of the Company, as determined by the Audit Committee.
- 4. Meetings** – Committee meetings will be held as designated by the Chair or at the request of the Chair of the Board, the external auditor, a senior officer of the Corporation or upon the request of a majority of the Audit Committee members. The Committee will meet at minimum, once every fiscal quarter, and may meet on such further occasion(s) as the Audit Committee deems necessary or appropriate in its sole discretion. Meetings of the Audit Committee will be held at such times and places as may be designated by the Chair, in consultation with the CEO and CFO. Agendas for meetings of the Committee shall be prepared by the Chair, in consultation with the CEO, the CFO and the corporate secretary, and shall be circulated to the Committee members, and to the external auditors in the case of meeting in which such auditors participate, in each case on a timely basis prior to such meetings. The Audit Committee will have an “*in camera*” session without management at every quarterly meeting and at other meetings as deemed

appropriate. Furthermore, the Audit Committee will meet “*in camera*” with the external auditors, without management present at each Audit Committee meeting in which such auditors participate.

The Audit Committee is governed by the same rules regarding meetings (including, the procedure used to call meetings, and conducting meetings electronically, in person or by telephone), notice of meetings and waiver of notice by committee members, written resolutions in lieu of a meeting and voting at meetings that apply to the Board. The Audit Committee shall keep minutes of its meetings, which shall be submitted to the Board.

C. Role

Management is responsible for preparing the Company’s consolidated financial statements and other financial information, for the fair presentation of the information set forth in the consolidated financial statements in accordance with generally accepted accounting principles (GAAP), for establishing, documenting, maintaining and reviewing systems of internal and disclosure control and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and applicable laws. The Audit Committee’s role is one of oversight of the following matters:

1. Financial Reporting and Disclosure

- a. Reviewing with management and the external auditor the annual and interim consolidated financial statements of the Company, including, without limitation, the judgement of the external auditor as to not only the acceptability but also the quality and appropriateness of the Company's accounting policies and practices as applied in its financial reporting, and reporting and recommending the consolidated financial statements to the Board for approval.
- b. Reviewing, as applicable, the CFO Report and/or such other materials presented by management summarizing substantive disclosure issues, any material changes to the Company's accounting policies and practices as recommended by senior management or the external auditor or which may result from changes to applicable laws or to generally accepted accounting principles, including international financial reporting standards, where applicable.
- c. Reviewing and recommending to the Board for approval all financial disclosure made by the Company as required by applicable securities regulators, including in the Company’s Management Discussion and Analysis, annual and interim consolidated financial statements, prospectuses, information circulars and annual and interim earnings press releases and Annual Information Form, as applicable.
- d. Reviewing the use and disclosure of any "pro forma" or adjusted information not in accordance with applicable generally accepted accounting principles, where applicable.
- e. Reviewing significant transactions and the manner in which these matters are treated in the Company's financial disclosure and consolidated financial statements, including the review of all material transactions and material contracts entered into by the Company and its subsidiaries with any insider or related party of the Company, other than officer and employee compensation and director remuneration arrangements approved by the Board.
- f. Reviewing emerging accounting and financial reporting issues and their potential impact on the Company’s financial reporting.
- g. Reviewing key estimates and judgments of management.
- h. Reviewing material tax matters to determine appropriate financial presentation and disclosure.

2. Internal and Disclosure Controls

- a. Monitoring and reviewing the quality, effectiveness and integrity of internal and disclosure controls with senior management and the external auditor including:
 - i. in consultation with the external auditors, reviewing the integrity of the Company's financial reporting process, both internal and external, and any material issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies identified to it by the external auditors or of which the Committee otherwise becomes aware.
 - ii. reviewing the external auditor's recommendations on internal control matters, following-up on any identified weaknesses and management's response.
 - iii. confirming that adequate procedures are in place for the review and timely disclosure of any public disclosure of financial information extracted or derived from the consolidated financial statements of the Company and periodically assessing the adequacy of those procedures.
- b. Discussing with the external auditor any difficulties or disputes that arose with senior management during the course of the audits and the adequacy of senior management's responses in correcting audit-related deficiencies.
- c. Reviewing the Company's processes for the CEO and CFO certifications, if required by applicable securities laws, with respect to the Company's annual and interim filings.
- d. Reviewing emerging accounting issues and their potential impact on the Company's financial reporting.

3. Relations with External Auditors

- a. Requiring the external auditor to report directly to the Audit Committee.
- b. Selecting, nominating, retaining, termination and overseeing the work of the Company's external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company, and in such regard recommend to the Board the external auditor to be nominated for approval by the shareholders and the compensation of such external auditor. A formal or comprehensive review of the qualifications, expertise, resources and the overall performance of the external auditors is conducted from time to time, as the Audit Committee deems necessary or appropriate in its sole discretion or as may otherwise be required by applicable securities laws and any other pertinent legislation, and findings are presented to the Board;
- c. Reviewing External Auditor Report and confirming independence of the external auditor. Overseeing and evaluating the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- d. Reviewing and approving in advance the terms of engagement and scope of the external audit and recommending to the Board the appointment and approval of compensation of the external auditor.
- e. Reviewing and discussing with the external auditor all significant relationships that the external auditor and its affiliates have with the Company and its affiliates in order to seek to determine the external auditor's independence, including:
 - i. pre-approving all non-audit assignments undertaken by the external auditor, subject to permitted exceptions under applicable securities laws and any other pertinent legislation. Reviewing

periodically the policies and procedures dealing with pre-approved non-audit services. In addition, the Audit Committee at its discretion may delegate pre-approvals of other non-audit services to the Chair, subject to ratification by the full Committee at the next scheduled meeting.

- ii. approving any hiring by the Company of current and former partners and employees of the external auditor.
- f. Reviewing the external auditor's internal quality control procedures and any internal or external reviews or investigation of the auditor's professional practices from time to time, as the Audit Committee deems necessary or appropriate in its sole discretion or as may otherwise be required by applicable securities laws and any other pertinent legislation.
- g. Requiring the external auditor to perform such supplemental reviews or audits as the Audit Committee may deem desirable.

4. Legal and Regulatory Requirements

- a. Reviewing timely analysis by management of significant issues relating to public disclosure and reporting.
- b. Reviewing disclosures related to the Audit Committee required to be included in the Company's continuous disclosure filings.
- c. In consultation with management and external legal counsel, reviewing all legal compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements.
- d. Assisting the Board in oversight of compliance with legal and regulatory requirements.

5. Risk Management

- a. Discussing with management and internal and external auditors their assessment of significant corporate, financial, operational, technological, reputational and other risks and exposures as well as reviewing the Company's risk management policies and processes together with the effectiveness and efficiency of the same.
- b. Reviewing, where applicable, the annual strategic risk assessment identifying material risks, trends and mitigation actions to understand their potential impact on the Company's ability to achieve its business objectives.
- c. Reviewing, on an annual basis, the Company's insurance coverage to mitigate risks where appropriate.
- d. Reviewing material contingent liabilities and the manner in which these are disclosed in the Company's consolidated financial statements.
- e. Reviewing, where applicable, the adequacy of business continuity and disaster recovery plans.

6. Ethical Business Conduct

- a) Monitoring and evaluating effectiveness of policies and procedures for dealing with questions, complaints or the confidential anonymous submissions of concerns made through the formal processes and procedures from time to time implemented by the Company regarding accounting, internal accounting controls, auditing, and financial disclosure matters.

7. Other Matters

- a. Reviewing the appointment of and succession planning for the CFO. Discussing and making recommendations to the Board regarding the appointment or removal of the CFO, on the recommendation of the CEO. Periodically reviewing the budget, structure and performance of the Company's finance organization.
- b. Conducting or authorizing investigations into any matter that the Audit Committee believes is within the scope of its responsibilities, or which may otherwise be delegated by the Board.
- c. Annually reviewing and assessing the adequacy of this Charter and the performance of the Audit Committee.
- d. Retaining and obtaining the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Audit Committee shall set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

Approved by the Board on December 15, 2022.