

## **OrangeHook, Inc.**

### **AUDIT COMMITTEE CHARTER**

Approved December 17, 2015

The Board of Directors (“Board”) of OrangeHook, Inc., a Minnesota corporation (“Company”), has adopted this charter to govern the operation of the Audit Committee (“Committee”).

#### **1. PURPOSE**

The purpose of the Committee is to assist the Board with oversight of the integrity of the Company’s financial statements; compliance with legal and regulatory requirements; the qualifications and independence of the Company’s independent registered auditor; and the performance of the Company’s internal audit function. The Committee shall have oversight over the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

The Committee shall develop and maintain free and open communication between the directors, the independent auditor, management of the Company, and the internal audit function, and shall ensure that the independent auditor is accountable to both the Committee and the Board.

#### **2. ORGANIZATION**

2.1. Composition, Appointment, and Removal. This Committee shall be comprised of three or more directors, as determined and appointed by the Board. The Board shall designate a member of the Committee as Chairperson. The Chair of the Committee shall conduct the meetings as well as represent the Committee to the Company’s Board. Committee members may be removed or replaced by the Board with or without cause. Such appointment and removal may be upon recommendation by the Governance and Nominating Committee.

2.2. Requirement of Independence. Each member of the Committee must satisfy the standards for independence set forth in the rules and regulations of NASDAQ and the 1934 Act. Each Committee member must be independent and must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Each Committee member must not have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the three years prior to such member’s appointment to the Committee.

2.3. Requirement of Financial Literacy. Each Committee member must be financially literate, as determined by the Board. Financial literacy includes the ability to read and understand financial statements, including the Company’s balance sheet, income statement, and cash flow statement. At least one member of the Committee must have accounting or related financial management expertise, as evidenced by past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or

background which results in the member's financial sophistication. At least one member of the Committee must be an "audit committee financial expert" as defined in Regulation S-K.

2.4. Service on Other Boards. No member of the Committee may serve simultaneously on the audit committee of more than a total of three public companies unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

### **3. COMMITTEE OPERATION; MEETINGS; MINUTES**

3.1. Committee Operation. The Committee must meet at least four times per year, at such times and places as it deems necessary to fulfill its responsibilities. The Committee must report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings and actions without meetings, notice and waiver of notice, and quorum and voting requirements applicable to the Board. As such, the Committee may meet in person or by means of telephone conference call, and may also act by means of unanimous written consent. Committee responsibilities are reviewed and reassessed annually with changes approved by the full Board of Directors.

3.2. Minutes. The Committee shall maintain written minutes of its meetings. The Committee shall make such minutes available to the members of the Board of Directors, and shall file such minutes with the minutes of the meetings of the Board of Directors.

### **4. COMMITTEE RESOURCES**

4.1. Investigation. In discharging its duties, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company.

4.2. Advice. The Committee is authorized, in its sole discretion, to select, retain and obtain the advice and assistance of independent outside counsel and other such advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee will set the compensation, and oversee the work, of any outside counsel and other advisors and has sole discretion to terminate such outside counsel and other advisors.

4.3. Expenses. The Company will provide appropriate funds in order to pay the fees of (i) any registered public accounting firm engaged for the purpose of preparing or issuing an audit report, or preparing other audit, review or attest services for the Company; (ii) any consultants, counsel or other advisors hired by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### **5. LIMITATION OF AUDIT COMMITTEE'S ROLE**

While the Committee has the responsibilities and powers set forth in this Charter, the members of the Committee are not employees of the Company. It is not the duty of the Committee to plan or conduct audits or to determine that the audited financial statements are complete, accurate, and prepared in accordance with generally accepted accounting principles. Such responsibilities and the fundamental responsibility for the Company's financial statements

and internal accounting controls rest with management and the independent auditor. The Committee relies on (i) management for the preparation and accuracy of the Company's financial statements; (ii) both management and the Company's internal audit function for establishing the effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures, and applicable laws and regulations; and (iii) the Company's independent auditor for an unbiased, diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls.

## 6. RESPONSIBILITIES AND AUTHORITY

The Committee has the following responsibilities and authority:

### 6.1. Oversight of Independent Auditor.

a. Appointment and Oversight. The Committee has the sole authority to appoint, retain, dismiss, determine compensation for, and oversee an independent registered public accounting firm to act as the Company's independent auditor, as required by the 1934 Act. The Committee is directly responsible for the oversight of the work of the independent auditor (including resolution of financial reporting disputes between management and the independent auditor) for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company. The Company may seek shareholder approval or ratification of independent auditor selection, but the Committee must be responsible for making the recommendation or nomination to shareholders. The Committee is responsible for analyzing any impact on the independence or objectivity of the independent auditor relationship in connection with the hiring of any employee or former employee of the independent auditor. The independent auditor must report directly to the Committee, and the Committee must have a clear understanding with management and the independent auditor that the independent auditor is ultimately accountable to the Committee. The Committee must receive and review, at least annually, a report from the independent auditor discussing (i) the auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control or peer review of the auditor; and (iii) any inquiry or investigation by governmental or professional authorities within the preceding five years with respect to independent audits carried out by the auditor and any steps taken to deal with any such issues.

b. Pre-Approval Requirement. The Committee must pre-approve all audit and permitted non-audit and tax services that may be provided by the independent auditor or other registered public accounting firms. The Committee must establish policies and procedures for the Committee's pre-approval of permitted services to be performed by the Company's independent auditor or other registered public accounting firms.

i. Audit Services. The Committee must approve the retention and the term of the independent auditor prior to the Company's engagement of such auditor. The independent auditor must be engaged to provide services in

accordance with the Company's policies and procedures as established by the Committee.

ii. *Non-Audit Services.* Neither the Committee nor the Board may approve, nor shall the independent auditor provide, any non-audit services prohibited by the rules and regulations of the Securities and Exchange Commission ("SEC") to the Company if such services are to be provided contemporaneously with an audit of the Company.

c. Evaluation and Rotation of Auditor. The Committee must review the rotation of the independent auditor partners in accordance with Regulation S-X. The Committee must discharge the independent auditor when circumstances warrant.

d. Audit Scope and Procedures. The Committee must discuss with the independent auditor the auditor's responsibilities under generally accepted accounting principles, and the scope, timing, and plans of their respective audits.

e. Review of Audit Problems. The Committee must review with the independent auditor: (i) any audit problems or difficulties, including difficulties encountered by the independent auditor in the course of the audit work and any restrictions on the scope of the independent auditor's activities or on access to requested information; (ii) any significant disagreements with management; and (iii) management's response to these problems, difficulties or disagreements. The Committee will resolve any disagreements between the independent auditor and management.

f. Review of Annual Report on the Independence of the Auditor. The Committee must receive and review, at least annually, a report from the independent auditor discussing all relationships between the independent auditor and the Company or any of its subsidiaries, consistent with the applicable requirements of the Public Company Accounting Oversight Board. The Committee must actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the objectivity and independence of the auditor. If necessary, the Committee must take, or recommend that the Board take, appropriate action with respect to the independence of the auditor or other information disclosed in the auditor's annual report.

## 6.2. Internal Controls.

### a. Adequacy of Internal Controls and Financial and Accounting Staff.

i. *Internal Controls.* The Committee must, at least annually, review and discuss with management and the independent auditor: (i) the adequacy and effectiveness of the Company's internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in the Company's internal controls; (ii) any special audit steps adopted in light of any material control deficiencies; and (iii) any fraud involving management or other employees with a significant role in such internal controls.

ii. *Financial and Accounting Staff.* The Committee must consider the adequacy of the financial and accounting staff of the Company.

iii. *Recommendations.* The Committee may elicit any recommendations for the improvement of the internal control procedures or particular areas where new or more detailed controls or procedures are advisable.

b. Complaints. The Committee must establish and maintain procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters. These procedures must allow employees to submit concerns regarding questionable accounting and auditing matters on a confidential, anonymous basis.

### 6.3. Audit Committee Report; Financial Statements; Required Disclosures.

a. Review of the Company's Annual Report. The Committee must review and discuss with management and the independent auditor: (i) the Company's quarterly financial statements or annual audited financial statements, as applicable, including the related notes; (ii) the results of the Company's annual audit; (iii) the form of audit opinion to be issued by the auditor on the annual audited financial statements; (iv) the disclosures under Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations, to be included in the Company's quarterly report on Form 10-Q or annual report on Form 10-K, and (v) any other matters required to be communicated to the Committee by the independent auditor under Statement of Auditing Standards 114.

b. Audit Committee Report. At least annually, the Committee must produce a Report of the Audit Committee as required by the rules and regulations of the SEC. This report must: (i) describe the review of the audited financial statements and information discussed with the Company's auditor, including a description about the auditor's independence and any communications required by Statement on Auditing Standards No. 114; and (ii) state that as a result of the review and discussions with the independent auditor, the Committee has recommended that the financial statements be included in the Company's Annual Report on Form 10-K.

c. Review of New Requirements. The Committee must discuss with management and the independent auditor any new accounting and financial requirements, as well as other current developments in accounting principles, auditing standards, independence standards or reporting practices.

d. Review of Significant Reporting Issues. The Committee must discuss with management and the independent auditor, both separately and together, significant financial reporting issues arising in connection with the preparation of the Company's financial statements, including: (i) any significant changes in the Company's accounting policies or procedures; (ii) any judgments made that significantly affected the financial results; (iii) the nature of any unusual or significant commitments or contingent

liabilities, including the assumptions underlying such liabilities; and (iv) any major issues as to the adequacy of the Company's internal controls.

6.4. Risk Oversight. The Committee must discuss with management and the internal auditors (or other personnel responsible for the internal audit function) the Company's policies and guidelines to govern the processes by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

6.5. Meetings with Independent Auditor, Management, and Legal Counsel.

a. Independent Auditor and Management. At least annually, the Committee must meet separately, out of the presence of others, with: (i) the independent auditor; (ii) management; and (iii) the internal auditors (or other personnel responsible for the internal audit function).

b. Legal Counsel. The Committee must meet with any retained outside legal counsel out of the presence of management, the independent auditor, the internal auditors or others at least annually.

6.6. Committee Approval of Related-Party Transactions. The Committee must: (i) review on an ongoing basis, recommend to the Board the approval or disapproval of, and oversee any transaction between the Company and any "related person" as that term is defined in Regulation S-K; (ii) ensure that appropriate disclosures regarding related party transactions have been made; and (iii) develop policies and procedures for the Committee's approval of any related party transactions.

6.7. Evaluation and Reporting Requirements.

a. Reporting to Board. The Committee must report regularly to the Board regarding the execution of its duties and responsibilities, and must review with the Board any material matters discussed or acted upon by the Committee during the next regular meeting of the Board.

b. Review of Charter. The Committee must, at least annually, review and reassess the adequacy of this Charter and obtain the approval of the Board for any proposed changes to this Charter.