



Audit Committee Charter

1. Overview

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Medical Transcription Billing, Corp. a Delaware corporation (the "**Company**") is appointed by the Board to assist the Board to discharge its responsibilities relating to:

- (a) Oversight of the Company's accounting and financial reporting processes, internal control over financial reporting and the audit of the Company's financial statements;
- (b) Oversight of the integrity of the Company's financial statements; the Company's compliance with legal and regulatory requirements; the independent auditor's qualifications, independence and performance; the organization and performance of the Company's internal audit function; and the Company's internal accounting and financial controls;
- (c) Oversight of risk assessment and risk management; and
- (d) Providing the Board such information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board.

In furtherance of these purposes, the Committee may undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

The Committee's responsibility is one of oversight. The members of Committee are not employees of the Company, and they do not perform, or represent that they perform, the functions of management or the independent auditors. The Committee relies on the expertise and knowledge of management, the internal auditor, if any, and the independent auditors in carrying out its oversight responsibilities. The management of the Company is responsible for preparing accurate and complete financial statements in accordance with generally accepted accounting principles and for establishing and maintaining appropriate accounting principles and financial reporting policies and satisfactory internal control over financial reporting. The independent auditors are responsible for auditing the Company's annual consolidated financial statements and the effectiveness of the Company's internal control over financial reporting and reviewing the Company's quarterly financial statements. It is not the responsibility of the Committee to prepare or certify the Company's financial statements or guarantee the audits or reports of the independent auditors, nor is it the duty of the Committee to certify that the independent auditor is "independent" under applicable rules. These are the fundamental responsibilities of management and the independent auditors.

2. Organization, Membership Requirements and Compensation

- (a) The Committee shall be comprised of two or more directors.
- (b) The members of the Committee shall be appointed by the Board on the recommendation of the Nominating & Governance Committee and subject to the following requirements:
 - i. Each member will be an independent member of the Board in accordance with the rules of The Nasdaq Stock Market ("Nasdaq") or the New York Stock Exchange ("NYSE"), as applicable; provided that, at the direction and appointment of the Board, one or more members of the Committee need not be an independent member of the Board in accordance with such rules to the extent that the corporate governance phase-in rules of the United States Securities and Exchange Commission ("SEC") are then applicable, provided further that no member of the Committee shall be an employee of the Company;
 - ii. Each member will meet the independence requirements for audit committee members specified by the rules of the SEC; provided that, at the direction and appointment of the Board, one or more members of the Committee need not be an independent member of the Board in accordance with such rules to the extent that the corporate governance phase-in rules of the SEC are then applicable, provided further that no member of the Committee shall be an employee of the Company;
 - iii. Each member will meet such other qualifications for membership of an audit committee as Nasdaq or the NYSE, as applicable, may promulgate from time to time, including being able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, at the time of

appointment;

- iv. At least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background that results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities, in accordance with applicable Nasdaq or NYSE rules, as applicable, and a person who satisfies the definition of "audit committee financial expert" under the applicable SEC rules will be presumed to have financial sophistication;
- v. At least one member will be an "audit committee financial expert" as defined by applicable SEC rules;
- vi. No member will have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the most recent three years; and
- vii. Each member of the Committee shall have such other qualifications as may be from time to time established by the Board and set forth in one or more specific resolutions of the Board, or as may be required by applicable law or the rules and regulations of the SEC or NASDAQ or NYSE rules, as applicable.

(c) The members of the Committee shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any Committee member who becomes disqualified from service on the Committee shall promptly notify the Chairman of the Nominating & Governance Committee of such development and shall promptly resign from the Committee. Any member of the Committee may be replaced by the Board on the recommendation of the Nominating & Governance Committee.

(d) Unless a chairman is elected by the Board, the members of the Committee may designate a chairman by majority vote of the full Committee membership. The Committee may from time to time delegate duties or responsibilities to subcommittees or to one or more members of the Committee. However, the Audit Committee shall not delegate to a subcommittee any power or authority required by law, regulation or listing standard to be exercised by the Audit Committee as a whole.

(e) The members of the Committee shall receive such fees (in cash or equity or a combination thereof), if any, for their services as Committee members as may be determined by the Board. Members of the Committee may not receive any compensation from the Company except for the fees that they receive for services as a member of the Board or any committee thereof, subject to the exemptions provided under applicable SEC and Nasdaq or NYSE rules, as applicable.

3. Authority and Responsibilities

The Committee shall have the authority and responsibility to:

(a) Review Procedures

- i. Review the reports and certifications of management, internal audit, if any, and the independent auditors concerning the design, implementation and maintenance of the Company's internal controls and procedures for financial reporting, including meeting periodically with the Company's management, internal audit and the independent auditors to review their assessment of the adequacy of such controls; review any changes, significant deficiencies or material weaknesses in internal controls, any special audit steps adopted in light of any material control deficiencies, and any fraud, whether or not material, that involves management or other Company employees who have a significant role in the Company's internal controls; and review before release the disclosure regarding such system of internal controls required under SEC rules to be contained in the Company's periodic filings and the attestations or reports by the independent auditors relating to such disclosure;
- ii. Review and provide oversight of the external audit by reviewing the independent auditors' proposed audit scope, approach, timing, staffing and cost; discussing with the Company's independent auditors the financial statements and audit findings, including any significant adjustments, management judgments and accounting estimates, significant new accounting policies, disagreements with management and any other required communications described in applicable accounting standards; reviewing with the independent auditors the Company's critical accounting policies and practices, alternative treatments of financial information within generally accepted accounting principles that have been discussed with management and the treatment recommended by the independent auditors, and other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences; and reviewing the independent auditor's opinion on the audited financial statements as well as any other reports submitted to Committee by the independent auditors in accordance with applicable SEC requirements;
- iii. Review and approve the annual internal audit project plan and any proposed changes and reviewing periodic reports summarizing results of the internal audit projects, including, if there is no internal audit function, engaging outside consultants to provide such audit functions as and to the extent deemed appropriate by the Committee;
- iv. Review and discuss with management and the independent auditors the annual audited financial statements and quarterly unaudited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, respectively, with the SEC;
- v. Recommend to the Board, if deemed appropriate, that the audited financial statements be included in the Company's Annual Report on Form 10-K, in accordance with the rules and regulations of the SEC;
- vi. Direct the Company's independent auditors to review before filing with the SEC the Company's interim financial

- statements included in Quarterly Reports on Form 10-Q, when appropriate;
- vii. Conduct a post-audit review of the financial statements and audit findings, including any suggestions for improvements provided to management by internal audit or the independent auditors, and management's response to such suggestions;
 - viii. Review, prior to announcement, Company press releases and other disclosures or communications containing financial information, whether historical or forward looking;
 - ix. Review and discuss with management and the independent auditors corporate policies with respect to earnings press releases (with particular attention to any use of "pro forma" or "adjusted" information not in compliance with generally accepted accounting principles), as well as corporate policies with respect to financial information and earnings guidance provided to the public, analysts and ratings agencies;
 - x. Periodically meet separately with one or more members of management, as may be requested by the Committee, and with the independent auditors in separate sessions to discuss any matters that the Committee, management or the independent auditors believe should be discussed privately with the Committee;
 - xi. Review with the independent auditors any significant difficulties encountered during the course of the audit, any restrictions on the scope of work or access to required information, any significant disagreement between management and the independent auditors in connection with the preparation of the financial statements, and any accounting adjustments that were noted or proposed by the auditors but that were "passed" (as immaterial or otherwise);
 - xii. Review with the independent auditors the critical accounting policies and practices used by the Company, any alternative treatments of financial information within generally accepted accounting principles that the independent auditors have discussed with management, the ramifications of the use of such alternative disclosures and treatments, and any significant changes in the Company's selection or application of accounting principles;
 - xiii. Review with management and the independent auditors any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of such judgments;
 - xiv. Review and resolve any disagreements that may arise between management and the independent auditor regarding financial controls or financial reporting;
 - xv. Review with each of management and the internal audit function its assessment of the effectiveness, integrity and adequacy of the Company's internal control structure and procedures for financial reporting ("**Internal Controls**") when required, and, when relevant, SEC rules are in effect, review annually with the independent auditors the attestation to and report on the assessment made by management;
 - xvi. Review with management its evaluation of the Company's procedures and controls designed to assure that information required to be disclosed in its periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by the SEC for the filing of such reports ("**Disclosure Controls**");
 - xvii. Review and assess the processes utilized by management for evaluating the Company's Internal Controls and Disclosure Controls and for making required management certifications related thereto that are filed as part of the Company's periodic financial reports in accordance with applicable SEC rules.
 - xviii. Review and discuss with management and the independent auditors any off-balance sheet transactions or structures, their effect on the Company's financial results and operations, and the disclosure of such transactions and structures in the Company's public filings;
 - xix. Review and discuss with management and the independent auditors the effect of regulatory and accounting initiatives, including accounting rules or directives under regulatory or other consideration prior to their adoption, as well as off-balance sheet structures, on the Company's financial statements;
 - xx. Review and discuss with management any significant changes required in the audit plan;
 - xxi. Review and discuss with management any problems or difficulties the independent auditor encountered in the course of its audit work, including any restrictions on the scope of the auditor's activities or on access to requested information, and management's response;
 - xxii. Provide oversight and review at least annually of the Company's risk assessment and risk management policies, including its insurance policies, disaster recovery plans, investment policies, interest rate and currency exposures, and related hedging activity, if any;
 - xxiii. Review the Company's long-term tax strategy, matters related to the repatriation of foreign subsidiary earnings, and monitor the effects of domestic and international tax regulations, tax return filing compliance and status of material tax audits, if any;
 - xxiv. (xxiv) Reviewing, in conjunction with counsel, any legal matters that could have a significant impact on the Company's financial statements;
 - xxv. Review and evaluate the Company's finance and accounting organization, staffing thereof, and related succession planning on a periodic basis;
 - xxvi. Review and approve the Company's related party transaction policy and any related-party transactions (as defined in Item 404 of Regulation S-K), after reviewing each such transaction for potential conflicts of interests and other improprieties; and
 - xxvii. Oversee the Company's asset management policies, including an annual review of the Company's investment policies and performance for cash and short-term investments.

(b) Independent Auditors

- i. Have sole authority over appointing, compensating and overseeing the work of the independent auditors (including resolving disagreements between management and the independent auditors regarding financial reporting) and, if

- deemed necessary or appropriate by the Committee, terminating and replacing independent auditors, for the purpose of preparing or issuing an audit report or related work;
- ii. Review the independence of the outside auditors, including obtaining on a periodic basis (not less frequently than on an annual basis) a written statement from the independent auditors regarding relationships and services (including permissible non-audit services) with the Company that may impact independence, as defined by applicable standards, and discussing with the independent auditors their independence; presenting this statement to the Board; and to the extent there are relationships, monitoring and investigating them;
 - iii. Receive and review annually a report by the independent auditor describing the firm's internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, or Public Company Accounting Oversight Board review, as applicable, of the independent auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues, and any other required reports from the independent registered public accounting firm;
 - iv. Oversee and, at least annually, evaluate the work of the independent auditor or any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, which evaluation shall include a review and evaluation of the lead partner of the independent auditor;
 - v. Pre-approving audit and permissible non-audit services provided to the Company by the independent auditors, as well as the associated fees, except where such pre-approval would not be required under the rules of the SEC because such non-audit services are de minimis, in which case subsequent approval may be obtained. The Committee may delegate to one or more designated members of Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full Committee at its scheduled meetings;
 - vi. Set the Company's hiring policies for employees or former employees of the independent auditors, and monitor and assess compliance with these policies;
 - vii. Consult with the independent auditors to ensure the rotation of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit in accordance with applicable law; and
 - viii. Communicate with the independent auditors regarding the Company's expectations with respect to its relationship with the independent auditors, including the independent auditors' ultimate accountability to the Committee, as representatives of the Company's shareholders.

(c) Internal Audit

- i. Review and approve the selection or, if applicable, the reassignment or dismissal of the Company's internal auditor, if any;
- ii. Review and approve the overall objectives, scope, the activities, budget, resources, organizational structure, staffing, responsibilities and peer review of the internal audit function;
- iii. Reviewing periodically with the Company's internal auditor the results of the internal audit and any issues encountered in the course of and significant findings of the internal audit function's work, and management's response to such issues and findings, including recommended remediation, if applicable.

(d) Regulatory Compliance and Other Matters

- i. Oversee compliance with the requirements of the SEC for disclosure of auditor's services and audit committee members, member qualifications and activities;
- ii. Review management's monitoring of legal and regulatory compliance, including compliance with the Foreign Corrupt Practices Act and other applicable laws, rules and regulations that are material to the Company's operating results and financial condition;
- iii. Produce for inclusion in the Company's proxy statement a report in accordance with the rules and regulations of the SEC;
- iv. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies;
- v. Establish procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, as well as other communications as may be received under the Company's "whistleblower policy" as such policy may be constituted from time to time;
- vi. In consultation with the Nominating & Governance Committee, review, approve and monitor the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs, including the Company's Code of Business Conduct & Ethics and procedures for monitoring and enforcing compliance with or granting waivers of the Code of Business Conduct & Ethics, and provide for prompt disclosure to the public of any change in, or waiver of the Code of Business Conduct & Ethics as may be required by SEC or Nasdaq or NYSE rules and regulations, as applicable;
- vii. Review and assess the adequacy of this Charter and the Committee's processes on an annual basis, and make recommendations to the Board, as appropriate, as a result of such review and assessment;
- viii. Review with the Company's Nominating & Governance Committee the appropriate criteria for review of the Committee's performance and, in conjunction with the Nominating & Governance Committee, evaluate the Committee's performance annually; and

- ix. Perform such other activities consistent with this Charter, the Company's organizational documents and governing law, as the Committee or the Board deems necessary or appropriate.

The independent auditors shall report directly to the Committee. In addition, in the exercise of its duties hereunder the Committee may obtain advice or assistance from consultants, legal counsel, accounting or other advisors, as appropriate, and to determine the costs and fees for such engagements. The fees and costs of any such engagement shall be borne by the Company.

4. Meetings

The Committee shall meet as often as it deems appropriate, but not less frequently than once each quarter. The Chairman of the Committee shall preside at each meeting. The Chairman will approve the agenda for the Committee's meetings and any member may suggest items for consideration. If a Chairman is not designated or present, an acting chairman may be designated by the Committee members present. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

A majority of the members of the Committee shall represent a quorum of the Committee, and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee. Any actions taken by the Committee during any period in which one or more members fail for any reason to meet the membership requirements set forth above shall be nonetheless duly authorized actions of the Committee for all corporate purposes.

The Committee may take action by written consent (which may include electronic consent) in lieu of a meeting in accordance with the Company's Bylaws, provided that any such action, to be effective, must be unanimously approved by the members of the Committee. Actions taken by written consent shall be deemed effective when the latest consent is executed and will be filed with the minutes of the meetings of the Board.

5. Reports

The Committee shall make regular reports to the full Board on the actions and recommendations of Committee, as well as on any significant issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's Compliance with legal or regulatory requirements, the performance of the internal audit function, or the performance and independence of the Company's independent auditor, as applicable.

Adoption & Amendment History

Adopted by the Board of Directors on 4-2-14

Amended by the Board of Directors on June 18, 2014