

**MTY FOOD GROUP INC./ GROUPE D'ALIMENTATION MTY INC.**  
**(the "Company")**  
**AUDIT COMMITTEE CHARTER**

**PURPOSE**

This charter governs the operations of the Audit Committee (the "Committee").

The purpose of the Committee is to assist the Board of Directors (the "Board") in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the effectiveness of the Company's internal controls over financial reporting, the Company's compliance with legal and regulatory requirements relating to financial reporting and the external auditors' qualifications and independence.

The Committee approves and recommends to the Board, all matters falling within its purview, in accordance with its mandate, applicable laws, rules and regulations, the Company's by-laws and internal policies.

**COMPOSITION**

Following each annual meeting of shareholders, the Board shall elect a minimum of three directors (the "Members"), to serve on the Committee until the close of the next annual meeting of the shareholders or until the member ceases to be a director, resigns or is replaced, whichever first occurs. Any member may be removed from office or replaced at any time by the Board. One of the members shall be appointed by the Board as Chairperson of the Committee (the "Chair").

Each Member shall be independent, as determined by Canadian securities legislation requirements, and free from any relationship that, in the opinion of the Board, could interfere with the exercise of his/her independent judgment or their ability to represent their own professional view as a Member of the Committee.

Each Member shall be financially literate. Financial literacy requires that all Members have sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, 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 Company's financial statements.

**MEETINGS**

1. The Committee shall meet no less than four times during each financial year. The Committee shall meet on a regular basis without management or the external auditors and shall meet separately with management, the internal and external auditors at least annually.
2. The Chair shall develop the agenda for each meeting of the Committee in consultation with management of the Company. The agenda and the appropriate material shall be provided to the Members on a timely basis prior to any meeting. Members shall attend meetings and review related meeting materials in advance. The Committee may invite such other persons to its meetings, as it deems necessary.

3. Minutes of meetings shall be recorded and maintained by the Corporate Secretary or his/her designate and shall be subsequently presented to the Committee for approval.
4. The Chair shall report regularly to the Board on the business of the Committee.

## **RESPONSIBILITIES**

### **Financial Reporting and Disclosures**

1. Reviewing with management and the external auditors the quarterly and annual financial statements and accompanying notes, and the external auditors' report thereon, and the financial information and forward-looking information contained in the Management's Discussion and Analysis, Press Releases, Annual Information Form, Management Proxy Circular, prospectuses and any other documents containing financial information or forward-looking information before their public disclosure or filing with regulatory authorities.
2. Reviewing with management and the external auditors the major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, and major issues regarding the adequacy and effectiveness of the internal controls and the quality and acceptability of the Company's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditors' preferred treatment.
3. Discussing with management and the external auditors regarding significant estimates and judgments made in connection with the preparation of the financial statements and the reasonableness of those estimates and judgments, including analyses of the effects of alternative GAAP on the financial statements.
4. Discussing with management and considering the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements.
5. Ensuring the completeness and clarity of the disclosures in the financial statements.
6. Reviewing all related-party transactions required to be disclosed and discuss with management the business rationale for the transaction and whether appropriate disclosures have been made.

### **Risk Management and Internal Controls**

1. Discussing with management its process for assessing the effectiveness of internal control over financial reporting.
2. Reviewing reports from management and the external auditors on management's assessment of the effectiveness of internal controls over financial reporting.
3. Discussing with management and the external auditors all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data, and management's remediation plan to address internal control deficiencies.

4. Discussing with management and the external auditors any changes in internal control over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting that are required to be disclosed or any other change that were considered for disclosure.
5. Review and discuss any fraud or alleged fraud involving management or other employees and the related corrective and disciplinary actions to be taken.
6. Reviewing on a regular basis and monitoring the Company's risk assessment and management policies, including the Company's major financial accounting and risk exposures and the procedures in place to monitor, control, report and mitigate those risks.

#### **External Auditors**

1. Evaluating the performance of the external auditors and making recommendations to the Board on the nomination for reappointment or appointment of the external auditors. Such nomination is to be approved by the Board. The external auditors will be reappointed or appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.
2. Reviewing the terms of the external auditors' engagement and the appropriateness and reasonableness of the proposed audit fees and make the appropriate recommendations to the Board. The remuneration of the external auditors will be determined by the Board, upon the annual authorization of the shareholders at each general meeting of the shareholders.
3. Overseeing of the work of the external auditors and monitoring their qualifications, performance and independence.
4. Reviewing the external auditors' report including the firm's internal quality control procedures, any material issues raised by the internal quality review or peer review of the firm or by any inquiry or investigation conducted by governmental or professional authorities within the five preceding years, and all relationships between the external auditors and the Company to assess the external auditors independence.
5. Pre-approving the basis and amount of all non-audit services provided by the external auditors, including determining and discussing with management the non-audit services that should not be provided by the external auditors.
6. Reviewing the audit plan and, if applicable, the quarterly financial statements review plan with the external auditors and management and approving the scope, extent and schedule of such plans.
7. Reviewing the Company's hiring policies for employees or former employees of the external auditors.
8. Ensuring the respect of legal requirements regarding the rotation of applicable partners of the external auditors, on a regular basis, as required.
9. Ensuring that the external auditors report directly to the Committee, that the external auditors are able to complete their audit procedures and reviews with professional independence, free from any undue interference from the Company's management or Board and that management fully cooperates with the external auditors in the course of carrying out their professional duties.

10. Reviewing with the external auditors any audit problems or difficulties and management's response thereto and resolving any disagreement between management and the external auditors regarding financial reporting.

**Other**

1. Reviewing such litigations, claims, transactions or other contingencies as the external auditors or any officer of the Company may bring to the attention of the Committee.
2. The Committee shall consider all other matters of a financial nature further delegated by the Board.
3. Reviewing the Committee's mandate at least annually and recommend any changes to the Board for approval.
4. Evaluating the performance of the Committee in reference to this charter annually.
5. Adhering to the Company's code of conduct and disclosing all conflicts of interest or appearance of a conflict of interest to the Board.
6. The Committee shall ensure that this charter (or an approved summary thereof) is disseminated in accordance with Applicable Requirements.

**AUTHORITIES**

1. The Committee shall have a direct line of communication with the internal and external auditors.
2. The Committee shall have full, free and unrestricted access to management and employees and to the relevant books and records of the Company and shall be empowered to investigate any matter brought to its attention.
3. The Committee shall have the authority to retain independent legal, accounting or other relevant advisors as it may deem necessary or appropriate to carry out its duties.