



**QUIPT HOME MEDICAL CORP.
(the “Corporation”) AUDIT COMMITTEE
CHARTER**

I. Mandate

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting, and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s accounting, financial reporting and internal control system and review the Corporation’s financial statements.
- Review and appraise the performance of the Corporation’s external auditors, the audit of the Corporation’s financial statements and assess the external auditor’s qualifications and independence.
- Provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board of Directors.
- Assist the Board of Directors in fulfilling its responsibilities for general oversight of the Corporation’s compliance with legal and regulatory requirements and risk assessment and risk management.

II. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors. The Committee shall be comprised of such directors as are determined by the Board of Directors and in compliance with National Instrument 52-110 – *Audit Committees* (“NI 52-110”) of the *Canadian Securities Administrators and the Business Corporations Act* (British Columbia).

All members of the Committee must have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices and otherwise be financially literate within the meaning of NI 52-110 (or exempt therefrom).

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. The Chair of the Committee shall be elected by the full Board of Directors; otherwise, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

If, and for so long as, the Corporation is publicly traded on one of the Nasdaq Stock Market exchanges ("Nasdaq"), each member of the Committee must be a non-employee director and qualify as "independent" as defined under applicable Nasdaq (or applicable stock exchange) rules (except as otherwise permitted under such rules). The Committee's membership shall also comply with the independence standards set forth in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other requirements pertaining to

members of the Committee under applicable laws, rules and regulations, including under the Exchange Act and NASDAQ Rules.

III. Meetings

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

A majority of the Committee members will be a quorum. The action of a majority of those present at a meeting at which a quorum is present will be the act of the Committee. Committee members may participate in meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation will constitute presence in person at such meeting. The Committee may take any action required or permitted hereunder by consent in lieu of a meeting if all Committee members execute, either before or after the action is taken, such consent (either in writing or by electronic transmission) (a "Resolution"), which is subsequently filed with the minutes by the Committee.

The Chair of the Committee will preside at each meeting and will approve the agenda of the items to be addressed at each regularly scheduled meeting. Management may circulate a proposed agenda and support materials for each regular meeting to each Committee member in advance of the meeting. The Committee (with the assistance of management) shall keep a copy of the minutes of its meetings or Resolution in lieu thereof, which minutes / Resolutions shall be filed in the minute book of the Corporation and will make regular reports to the Board of Directors regarding actions taken by the Committee. The Committee will meet regularly in executive session as considered necessary. 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. To the extent permitted by law, rule or regulation, the Committee may form and delegate authority to one or more subcommittees (comprised of one or more members of the Committee) or to one or more management committees (comprised of one or more executives of the Corporation). Any such subcommittee or management committee shall regularly report to the Committee on any actions taken pursuant to such delegated authority

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

1. On an annual basis the Committee shall review and assess the adequacy of this Charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the Charter to the Board of Directors for its approval.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings and any related press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

3. Require the external auditors to report directly to the Committee.
4. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
5. Ensure that the external auditor is independent under PCAOB standards by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Corporation.
6. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
7. Ensure that the external auditor is in good standing with the Public Company Accounting Oversight Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
8. Ensure that the external auditor meets the rotation requirements for partners and staff assigned to the Corporation's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire.
9. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
10. Review with management and the external auditors the terms of the external auditors' engagement letter.
11. Consult with the external auditors, without the presence of management, about the

quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.

12. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
13. Review the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee)
14. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent (5%) of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Process

15. Review and discuss with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Corporation's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS (International Financial Reporting Standards) or other applicable generally accepted accounting standards if applicable, and the MD&A is in compliance with appropriate regulatory requirements;
16. Review and discuss with management and the external auditor regarding

significant accounting policies and financial statement presentation including any significant changes in the selection or application of accounting policies to be observed in the preparation of the financial statements of the Corporation and its subsidiaries;

17. Review and discuss with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with PCAOB standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements.
18. Report on and recommending to the Board of Directors the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
19. Satisfy itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate controls are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and accounting records that such information is fairly presented;
20. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
21. Review any significant disagreement among management and the external auditors regarding financial reporting.
22. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
23. Oversee the adequacy of the Corporation's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
24. Establish procedures for:
 - i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
 - ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
 - iii. evaluating and communicating fraud or suspected fraud matters.

Other

25. Review management's policy and review and approve any new or significant changes to the related-party transactions with the officers and Directors of the Corporation.

26. Review annually general business liability insurance coverage and business risk assessment with management.
27. Review with management on a quarterly basis any significant new business matters including, without limitation capital allocation, business acquisitions, stock buyback programs, dividend authorization, debt covenants, etc.

V. Authority

The Committee may:

- i. engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- ii. set and pay the compensation for any advisors employed by the Committee;
and
- iii. communicate directly with the internal and external auditors.

The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.