

**Open Text Corporation**  
**(the "Company")**

**CHARTER OF THE AUDIT COMMITTEE**

As approved by the Board of Directors on April 23, 2014

**A. PURPOSE AND SCOPE**

The primary functions of the Audit Committee (the "Committee") are to:

- a) assist the Board of Directors (the "Board") in fulfilling its responsibilities by reviewing:
  - i) the financial reports provided by the Company to the Securities and Exchange Commission ("SEC"), other Regulatory Bodies (as defined below), the Company's shareholders and to the general public, and
  - ii) the Company's internal financial and accounting controls,
- b) appoint, compensate and retain the Company's independent public accountants,
- c) oversee the work performed by any independent public accountants, including their conduct of the annual audit and engagement for any other services, and review their qualifications and independence,
- d) oversee the accounting and financial reporting processes of the Company as established by the Company's management and the audits of the financial statements of the Company conducted by the Company's independent public accountants,
- e) recommend, establish and monitor procedures, including without limitation those relating to financial reporting risk management and those designed to improve the quality and reliability of the disclosure of the Company's financial condition and results of operations,
- f) establish and monitor procedures designed to facilitate:
  - i) the receipt, retention and treatment of complaints relating to accounting, internal accounting controls or auditing matters, and
  - ii) the receipt of confidential or anonymous submissions by employees of concerns regarding questionable accounting or auditing matters,
- g) assist the Board with respect to the Company's compliance with legal and regulatory requirements;
- h) engage advisors as necessary, and
- i) distribute relevant funding provided by the Company regarding the payment of the

independent public accountants, any advisors engaged by the Committee and ordinary administrative expenses of the Committee.

## **B. COMPOSITION AND MEETINGS**

The Committee shall be comprised of a minimum of three directors as appointed by the Board of Directors, each of whom shall:

- a) meet the independence and audit committee composition requirements of the SEC, Multilateral Instrument 52-110 – *Audit Committees of the Canadian Securities Administrators*, the Nasdaq Stock Market, any other exchange upon which securities of the Company are traded, and any governmental or regulatory body exercising authority over the Company (each a “Regulatory Body” and collectively, the “Regulatory Bodies”), as in effect from time to time (collectively, “Applicable Requirements”),
- b) not have participated in the preparation of the financial statements of the Company at any time during the past three years,
- c) be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

A majority of the members of the Committee shall constitute a quorum at any meeting of the Committee, but in no case shall a quorum be comprised of less than two (2) members of the Committee, and the action of a majority of those present, after determining a quorum, shall be the act of the Committee.

All members of the Committee shall be “financially literate”, which is defined as having a basic understanding of finance and accounting and having the ability to read and understand fundamental financial statements, including a balance sheet, cash flow statement and income statement, 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. At least one member of the Committee shall have employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which 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. Further, at least one member of the Committee shall qualify as an “audit committee financial expert” (as such term is defined by the SEC).

The Committee shall ensure that all necessary and proper disclosures shall be made in all applicable filings with the SEC and other Regulatory Bodies as to composition of the Committee. Committee members may enhance their familiarity with finance and accounting by participating in education programs conducted by the Company or an outside consultant at the Company’s expense. Independence and financial literacy are to be determined by the Board of Directors in accordance with applicable laws, rules and regulations.

The members of the Committee shall be appointed by the Board at the meeting of the Board of

Directors following each annual meeting of shareholders and shall serve until their successors shall be duly elected and qualified or until their earlier death, resignation or removal. The Board may fill a vacancy in the membership of the Committee and remove a member of the Committee at any time for any reason. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members.

The Committee shall meet on a regularly-scheduled basis at least four times per year or more frequently as circumstances dictate. At the invitation of the Committee, members of the Company's management and others may attend Committee meetings as the Committee considers necessary or desirable. The Company's independent public accountants are entitled to attend and be heard at each Committee meeting. The Committee shall hold executive sessions without management present at each Committee meeting. All independent directors may attend Committee meetings, provided that directors who are not members of the Committee shall not be entitled to vote, nor shall their attendance be counted as part of the quorum of the Committee.

The Chair, any member of the Committee, the Company's independent public accountants, the Chair of the Board or the Chief Executive Officer or Chief Financial Officer may call a meeting by notifying the Company's Corporate Secretary who will notify members of the Committee. Ordinarily, meetings of the Committee should be convened with no less than seven (7) days notice having been given. In exceptional circumstances the requirement for notice can be waived subject to the formal consent of no less than the number of Committee members that constitutes a quorum of the Committee or instruction by a resolution of the Board.

The Committee shall report its actions to the members of the Board and the Corporate Secretary of the Company and keep written minutes of its meetings which shall be recorded and filed with the books and records of the Company. Minutes of each meeting will be made available to the members of the Board and the Secretary of the Company.

### **C. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Committee shall:

#### Document Review

1. Review and assess the adequacy of this Charter periodically as conditions dictate, but at least annually (and recommend changes to the Board for its approval, if and when appropriate).
2. Review the Company's audited annual financial statements, the auditors' report thereon and the related financial disclosures, including management's discussion and analysis of the Company's financial condition and results of operations (the "MD&A") prior to their filing as part of the Annual Report on Form 10-K, including:

- a) the audit reports of the Company's financial statements and management's

assessment of internal control over financial reporting, the management representation letter, the “Memorandum Regarding Accounting Procedures and Internal Control” or similar memorandum prepared by the Company’s independent accounting firm, any other pertinent reports and management’s responses concerning such memorandum;

- b) the qualitative judgments of the independent auditors about the appropriateness, not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the Company;
- c) the selection and application of the Company’s critical accounting policies;
- d) the methods used to account for significant unusual transactions;
- e) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- f) management’s process for formulating sensitive accounting estimates and the reasonableness of these estimates;
- g) significant recorded and unrecorded audit adjustments;
- h) any material accounting issues among management and the independent accounting firm; and
- i) other matters required to be communicated to the Committee under applicable auditing standards by independent auditors.

After such review and discussion, the Committee shall recommend to the Board whether such audited financial statements and related MD&A should be included in the Company’s Annual Report on Form 10-K. The Committee shall also review the Company’s quarterly financial statements, the independent public accountants’ review report thereon and the related MD&A and shall recommend to the Board whether such financial statements and related MD&A should be included in the Company’s quarterly SEC filings on Form 10-Q. The Committee shall also review any other financial reports and filings as may be deemed appropriate by the Committee or required by any other Regulatory Body (including financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company including earnings releases and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated) and shall recommend to the Board whether such other financial reports or filings should be included in any external filing.

3. Take steps designed to ensure that the independent public accountants review the Company’s interim financial statements prior to their inclusion in the Company’s quarterly reports on Form 10-Q and such other financial reports and filings as may be required by any other Regulatory Body.

### Independent Accounting Firm

4. Have the responsibility to appoint or retain (or not to retain or to terminate), and the sole authority and direct responsibility for the compensation and oversight of, any independent public accounting firms engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such independent public accounting firm must report directly to the Committee. The authority of the Committee shall include ultimate authority to approve all audit engagement fees and terms.
5. Approve in advance any and all audit services and permissible non-audit services to be performed by the independent accounting firm (in accordance with Applicable Requirements) and adopt and implement policies for such pre-approval.
6. Determine funding necessary for compensation of any independent accounting firms and notify the Company of anticipated funding needs of the Committee.
7. Resolve any disagreements between management and the independent accounting firm as to financial reporting matters.
8. Instruct the independent public accountants that it should report directly to the Committee on matters pertaining to the work performed during its engagement and on matters required by the Applicable Requirements.
9. On at least an annual basis, receive from the independent accounting firm a formal written statement identifying all relationships between the independent accounting firm and the Company consistent with the applicable requirements of the Public Company Accounting Oversight Board and/or the applicable Rules of Professional Conduct/Code of Ethics adopted by the order of chartered accountants to which it belongs and the Applicable Requirements. The Committee shall actively engage in a dialogue with the independent accounting firm as to any disclosed relationships or services that may impact its objectivity and independence and take any other action considered appropriate to satisfy itself of the independence of the independent accounting firm. The Committee shall establish policies for ensuring receipt from the independent accounting firm of a formal written statement of independence prior to engagement, and then on at least an annual basis, and take appropriate action to oversee the independence of the independent accounting firm.
10. On an annual basis, discuss with representatives of the independent accounting firm the matters required to be discussed by Statement on Auditing Standards ("SAS") 114, as it may be modified or supplemented.
11. Evaluate the qualifications and performance of the independent accounting firm and consider the discharge of the independent accounting firm when circumstances warrant.
12. Review and approve policies for the Company's hiring of partners and employees or former partners and employees of the independent accounting firm.

13. At least annually, review the qualifications and performance of the lead partner(s) of the independent accounting firm. The Committee shall obtain a report from the independent accounting firm annually verifying that the lead partner has served in that capacity for no more than five (5) fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
14. When a change of auditors is proposed, review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.
15. Review all reportable events, including disagreements, unresolved issues and consultations with the Company's independent accounting firm, whether or not there is to be a change of auditors.

#### Financial Reporting Processes

16. In consultation with the Company's management and the independent public accountants, review annually the adequacy of the Company's internal control over financial reporting and consider, in particular:
  - a) the effectiveness of, or weakness or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security), the overall control environment for managing business risks, and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions,
  - b) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings,
  - c) any material issues raised by any inquiry or investigation by the Company's regulators,
  - d) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other senior employees who have a significant role in financial reporting, and
  - e) any related significant issues and recommendations of the independent public accountants together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

17. Require the Company's Chief Executive Officer and Chief Financial Officer to submit a report to the Committee prior to the filing of the Annual Report on Form 10-K or a Quarterly Report on Form 10-Q, which is based on their evaluation of internal control over financial reporting, and which discloses:
  - a) any and all significant deficiencies and material weaknesses in the design and operation of the internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial data;
  - b) any significant changes in internal control over financial reporting; and
  - c) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

The Committee shall direct the actions to be taken and/or make recommendations to the Board of actions to be taken, to the extent such report indicates the finding of any significant deficiencies in internal control over financial reporting or fraud.

18. The Committee shall review reports from the Company's Corporate Secretary and other management members on: legal compliance matters that may have a material impact on the Company, the effectiveness of the Company's compliance policies, and any material communications from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.
19. The Committee shall (a) regularly review the Company's critical accounting policies and accounting estimates resulting from the application of these policies, (b) inquire at least annually of both the Company's management, accounting group and the independent accounting firm as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies, (c) review with the independent public accountants alternative accounting treatments that have been discussed with management, (d) review with management any significant changes in GAAP, as well as emerging accounting and auditing issues, and their potential effects, and (e) review with management matters that may have a material effect on the financial statements.

#### Compliance

20. With the assistance of the Corporate Governance and Nominating Committee, establish procedures in compliance with applicable law for:
  - a) the receipt, retention, and treatment of complaints received by the Company

regarding accounting, internal accounting controls, or auditing matters; and

- b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Investigate any allegations that any officer or director of the Company, or any other person acting under the direction of any such person, took any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Company for the purpose of rendering such financial statements materially misleading and, if such allegations prove to be correct, take or recommend to the Board of Directors appropriate disciplinary action.

### Reporting

- 21. Prepare, in accordance with the rules of any Regulatory Body, a written report of the Audit Committee to be included in the Company's annual management proxy circular and form of proxy for each annual meeting of shareholders.
- 22. Advise the Company's management of the need to disclose in its Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q, the approval by the Committee of any non-audit services performed by the independent public accountants, and review the substance of any such disclosure and the considerations relating to the compatibility of such services with maintaining the independence of the accounting firm.

### Conflicts of Interest

- 23. Review the Company's policies relating to the avoidance of conflicts of interest and review and approve all payments to be made pursuant to any related party transactions involving executive officers and members of the Board, as required by any Regulatory Body. The Committee shall consider the results of any review of these policies and procedures by the Company's independent accounting firm.

### Access to Management and Independent Advice

- 24. The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company and, from time to time may hold unscheduled or regularly scheduled meetings or portions of meetings in executive session or otherwise with the Company's independent public accountants, the Chief Financial Officer, the Chief Executive Officer or the Chief Legal Officer and Corporate Secretary.
- 25. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management, at the expense of the Company, with notice to either the Lead Director, the Executive Chairman or the Chief Executive Officer of the Company, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate any such consultant or advisor to be used

to assist in the evaluation of such matters and shall have the sole authority to approve the consultant or advisor's fees and other retention terms.

#### Disclosure of Charter

26. This Charter shall be (1) published in the Company's annual report, information circular or annual information form as required by law, and (2) be posted in an up-to-date format on the Company's web site.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, to establish the Company's accounting and financial reporting systems, or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

*This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-Laws, it is not intended to establish any legally binding obligation.*