

**Audit Committee Charter
of
ShiftPixy, Inc.**

September 26, 2016

Requirements

1. Nasdaq Rule 5605(c)(1) provides in pertinent part that “[e]ach Company must certify that it has adopted a formal written audit committee charter and that the audit committee will review and reassess the adequacy of the formal written charter on an annual basis. The charter must specify: (A) the scope of the audit committee's responsibilities, and how it carries out those responsibilities, including structure, processes and membership requirements; (B) the audit committee's responsibility for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the Company, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor; (C) the committee's purpose of overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company; and (D) the specific audit committee responsibilities and authority set forth in Rule 5605(c)(3).”

2. Nasdaq Rule 5605(c)(2) provides in pertinent part that “[e]ach Company must have, and certify that it has and will continue to have, an audit committee of at least three members, each of whom must: (i) be an Independent Director as defined under Rule 5605(a)(2); (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act); (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (iv) be able to read and understand fundamental financial statements, including a Company's balance sheet, income statement, and cash flow statement. Additionally, each Company must certify that it has, and will continue to have, at least one member of the audit committee who has past employment experience in finance or accounting, requisite professional certification in accounting, or any 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.”

3. With regard to the number and qualifications of members of the Audit Committee at the time of listing with Nasdaq, per the email from William Slattery, CFA and Vice President of Listing Qualifications, Nasdaq, dated September 8, 2016, “We follow the exemption provided for in SEC Rule 10A-3 and allow for the phase in schedule provided for there ...:
 - (iv) Exemptions from the independence requirements.

- (A) For an issuer listing securities pursuant to a registration statement under section 12 of the Act (15 U.S.C. 78l), or for an issuer that has a registration statement under the Securities Act of 1933 (15 U.S.C. 77a et seq.) covering an initial public offering of securities to be listed by the issuer, where in each case the listed issuer was not, immediately prior to the effective date of such registration statement, required to file reports with the Commission pursuant to section 13(a) or 15(d) of the Act (15 U.S.C. 78m(a) or 78o(d)):
- (1) All but one of the members of the listed issuer's audit committee may be exempt from the independence requirements of paragraph (b)(1)(ii) of this section for 90 days from the date of effectiveness of such registration statement; and
 - (2) A minority of the members of the listed issuer's audit committee may be exempt from the independence requirements of paragraph (b)(1)(ii) of this section for one year from the date of effectiveness of such registration statement.

Purpose

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) to discharge the Board’s responsibilities relating to its oversight responsibilities regarding:

- the accounting and financial reporting processes of the Company,
- the integrity of the Company’s financial statements,
- the Company’s compliance with legal and regulatory requirements,
- the registered independent accountant’s qualifications and independence, and
- the performance of the independent accountant in its audits of the Company’s financial statements.

Committee Membership

Subject to the right of the Company to have fewer members at the time of listing with Nasdaq and thereafter, as noted above, the Committee shall consist of at least three (3) members of the Board, all of whom shall be independent Board members. All committee members must be able to read and understand fundamental financial statements, including the Company’s balance sheets, statements of operations and cash flow. No member of the Committee may have participated in the preparation of the financial statements of the Company at any time during the past three (3) years. Members of the Committee are not required to be engaged in the accounting and auditing profession and, consequently, some members may not be expert in financial matters, or in matters involving auditing and accounting. Members of the Committee shall satisfy the independence and other requirements of any national stock exchange or automated quotation system (hereinafter, an “Exchange” or the “Exchange”) on which the Company’s stock is listed, traded or quoted, and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

At least one (1) member of the Committee shall be an “audit committee financial expert” within the definition adopted by the Commission or the Company shall disclose in its annual report on

Form 10-KSB the reasons why at least one member of the Committee is not an “audit committee financial expert”. In addition, at least one (1) member of the Committee, which may also be an audit committee financial expert, shall have had past employment experience in finance or accounting, as well as requisite professional certification in accounting or any 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 in accordance with the rules adopted by the Exchange. The members of the Committee, including the Chair of the Committee, shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board.

Meetings

1. **In General.** The Committee shall meet as frequently as necessary to carry out its responsibilities under this Charter. The Committee Chair shall, in consultation with the other members of the Committee and appropriate officers of the Company, establish the agenda for each Committee meeting. Each Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members selected by the Board shall constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance shall be the act of the Committee, unless a greater number is required by law, the Company’s certificate of incorporation or its bylaws. The Committee Chair shall supervise the conduct of the meetings and will have other responsibilities which the Committee may designate from time to time.
2. **Invitations.** The Committee may request any officer or employee of the Company, or any representative of the Company’s advisors, attend a meeting or meet with any members or representatives of the Committee.
3. **Delegation.** The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee to the fullest extent permitted by law or applicable rules or regulations of Nasdaq or the SEC.

Committee Responsibilities and Authority

1. **In General.**
 - a. The Committee will provide its reasonable efforts to facilitate open avenues of communication with the independent accountant and the Board, provided, however, that the independent accountant will report directly to the Committee.
 - b. The Committee Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agenda for each Committee meeting. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company’s Bylaws or Guidelines that are applicable to the Committee.

- c. The Committee must report committee actions to the full Board and may make appropriate recommendations.
- d. The Committee has the power to conduct or authorize investigations into matters within the Committee's scope of responsibilities. The Committee is authorized to retain independent counsel, accountants or others it needs to assist in an investigation. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent accountant for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, to any advisors employed by the Committee, and or ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties.
- e. The Committee will meet at least four times each year, more frequently if circumstances make that preferable. The Committee Chair has the power to call a meeting of the Committee whenever he or she thinks there is a need. A member of the Committee should not vote on any matter in which he or she is not independent. The Committee may ask members of management or others to attend the meeting and is authorized to receive all pertinent information from management.
- f. The Committee will do whatever else the law, the Company's charter or bylaws or the Board require.
- g. The Committee shall prepare the audit committee report required by the rules of the Securities and Exchange Commission (the "Commission") to be included in the Company's annual proxy statement.

2. Responsibilities for Engaging Independent Accountants

- a. The Committee will select the independent accountants for Company audits. The Committee's selection is subject to approval by the full Board. The Committee also will review and set any fees paid to the independent accountants, provide oversight of their work and review and approve dismissal of the independent accountants.
- b. The Committee shall request and evaluate a formal written statement from the independent accountants delineating all relationships between the independent accountants and the Company that could bear on their independence as required by the Independence Standards Board Statement No. 1, discuss such report with the independent accountant, oversee the independence of the accountants and, if so determined by the Committee, take appropriate action to address issues raised by such evaluation. The Committee shall pre-approve, pursuant to policies and procedures deemed by the Committee to be desirable and appropriate, audit services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent accountant. The Committee may, when appropriate, form and delegate authority to subcommittees consisting of one or more members of the Committee, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting. The Committee shall discuss with management and the registered independent accountants any

correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or audit function.

- c. The Committee will consider, in consultation with the independent accountant, the audit scope and procedural plans made by the independent accountant.
 - d. The Committee will listen to management and the primary independent accountant if either thinks there might be a need to engage additional accountants. The Committee will decide whether to engage an additional firm and, if so, which one.
3. Responsibilities for Reviewing Internal Audits, the Annual External Audit and the Review of Quarterly and Annual Financial Statements
- a. The Committee will ascertain that the independent accountant views the Board as its client, that it will be available to the full Board at least annually and that it will provide the Committee with a timely analysis of significant financial reporting issues.
 - b. The Committee will ask management and the independent accountant about significant risks and exposures and will assess management's steps to minimize them.
 - c. The Committee will review the following with the independent accountant:
 - i. The adequacy of the Company's internal controls, including computerized information system controls and security.
 - ii. Any significant findings and recommendations made by the independent accountant, together with management's responses to them.
 - d. Shortly after the annual examination is completed, the Committee will review the following with management and the independent accountant:
 - i. The company's annual financial statements and related footnotes.
 - ii. The independent accountant's audit of and report on the financial statements.
 - iii. The independent accountant's qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and financial disclosures and how aggressive (or conservative) the accounting principles and underlying estimates are.
 - iv. Any serious difficulties or disputes with management encountered during the course of the audit.
 - v. Anything else about the audit procedures or findings that Generally Accepted Auditing Standards requires the independent accountants to discuss with the Committee.
 - e. The Committee will review annual filings with the Commission and other published documents containing the Company's financial statements and will consider whether the

information in the filings appears consistent with the information in the financial statements.

- i. The Committee will review the interim financial reports with management and the independent accountant before those interim reports are released to the public or filed with the Commission or other regulators.
- ii. Concerning earnings releases and other matters:
 - A. The Committee shall discuss with management and the registered independent accountant the type of financial information and the type of presentation of that information to generally be disclosed in the Company's earnings press releases (with particular focus on any "pro forma" or "adjusted" information or any non-GAAP financial information and compliance with the provisions of Regulation G in this regard). The Committee's discussion in this regard need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.
 - B. The Committee shall establish procedures for (a) receipt, retention, and treatment of complaints received by the Company with respect to accounting, internal auditing controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Committee shall discuss with management and the registered independent accountant any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting process, accounting policies or audit function.
- f. The Committee shall, in accordance with the Company's Bylaws or Guidelines, review all related-party transactions and potential conflict of interest situations on an ongoing basis and all such transactions must be approved by the Committee.
- g. The Committee shall discuss with the Company's in-house counsel or outside counsel any legal and regulatory matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.
- h. The Committee shall provide the Company with the report of the Committee with respect to the audited financial statements for inclusion in the Company's annual proxy statement.

4. Periodic Responsibilities

- a. Review and update the Committee's Charter annually and submit any recommended changes to the Board for its consideration.
- b. Review, with the independent accountant, the results of the Committee's review of compliance with the Company's Code of Ethics or Code of Conduct.

- c. Meet with the independent accountant and management in separate executive sessions to discuss any matters the Committee or these groups believe should be discussed privately with the Committee.
- d. Review legal and regulatory matters that may have a material effect on the Company's financial statements, compliance policies and programs and reports from regulators.
- e. The Committee shall at least annually perform an evaluation of the performance of the Committee and its members, including a review of the Committee's compliance with this Charter.

The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion.

While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it. Notwithstanding the foregoing, the Committee's responsibilities are limited to oversight. Management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements as well as the Company's financial reporting process, accounting policies, internal accounting controls and disclosure controls and procedures. The registered independent accountant is responsible for performing an audit of the Company's annual financial statements, expressing an opinion as to the conformity of such annual financial statements with the standards of the Public Company Accounting Oversight Board (the "PCAOB") and generally accepted accounting principles, and reviewing the Company's quarterly financial statements. It is not the responsibility of the Committee to plan or conduct audits or reviews or to determine that the Company's financial statements and disclosure are complete and accurate and in accordance with generally accepted accounting principles and applicable laws, rules and regulations. Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts (including the Company's registered independent accountant) from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

Auditing literature, particularly Statement of Accounting Standards No. 100, defines the term "review" to include a particular set of required procedures to be undertaken by registered independent auditors. The members of the Committee are not independent auditors, and the term "review" as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.

Resources and Authority

The Committee shall have appropriate resources and authority to discharge its responsibilities, including appropriate funding in such amount as the Committee deems necessary, to compensate any consultants and any independent advisors retained by the Committee. The Committee may also retain independent counsel and other independent advisors to assist it in carrying out its responsibilities.