

AUDIT COMMITTEE CHARTER

There will be a committee of the Board of Directors (the “Board”) of Monitronics International, Inc. (the “Corporation”) which will be called the Audit Committee (the “Committee”).

Statement of Purpose

The purpose of the Committee is to oversee the accounting and financial reporting processes of the Corporation and the external and internal audits of the financial statements of the Corporation.

The Committee’s responsibilities are limited to oversight. The Corporation’s management is responsible for establishing and maintaining accounting policies and procedures in accordance with generally accepted accounting principles (“GAAP”) and other applicable reporting and disclosure standards and for preparing the Corporation’s financial statements. The Corporation’s independent auditors are responsible for auditing and reviewing those financial statements. Each member of the Committee is entitled to rely on the integrity of those persons within the Corporation and from the professionals and experts 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.

Committee Membership

The Committee will consist of no fewer than three members. The Committee will be composed of a majority of directors who satisfy the independence, experience and financial expertise requirements set forth in the Corporate Governance Standards of OTC Markets Group Inc. for listing on the OTCQX and Section 10A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including the rules and regulations promulgated thereunder. In addition, at least one member of the Committee will have past 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 a current or past position as a chief executive or financial officer or other senior officer with financial oversight responsibilities. In addition, either at least one member of the Committee must be a financial expert as defined under SEC rules, or Corporation must disclose the reasons why at least one member of the Corporation is not a financial expert. The Board may, in its discretion, determine that one or more members of the Committee are “financial experts” as defined by the SEC.

The members of the Committee will be appointed, and may from time to time be removed, with or without cause, by the Board. Unless a Chair is designated by the Board, the Committee may designate a Chair by majority vote of the full Committee membership.

Executive Sessions

The Committee will meet periodically with management, the internal auditors (or other personnel responsible for the internal audit) and the independent auditor in separate executive sessions in furtherance of its purposes.

The Committee has 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 Corporation's bylaws that are applicable to the Committee.

In addition to the duties and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities consistent with this Charter, the purposes of the Committee or the Corporation's bylaws. The Committee may conduct or authorize investigations into any matters within the scope of the duties and responsibilities delegated to the Committee.

Functions and Responsibilities

In furtherance of the purposes set forth above, the Committee will perform the functions and responsibilities described in this Charter as appropriate and will have all powers of the Board necessary or desirable to perform such functions and responsibilities as may be delegated to a committee of the Board under Delaware law. Notwithstanding the enumeration of specific functions and responsibilities herein, the Committee believes that its policies and procedures should remain flexible, in order to best respond to changing circumstances and conditions in fulfilling its responsibilities to the Corporation and its shareholders. The Committee may by resolution establish its own rules and regulations, including notice and quorum requirements for all meetings. In the absence of such rules and regulations, the provisions of the Corporation's bylaws generally applicable to committees of the Board will apply.

The Committee will approve all audit engagement fees and terms and significant non-audit engagements with the independent auditor. The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation. The independent auditor and each such other registered public accounting firm must report directly to the Committee.

The Committee, or the Chair of the Committee, must pre-approve any audit and non-audit service provided to the Corporation by the independent auditor, unless the engagement is entered into pursuant to appropriate preapproval policies established by the Committee or if such service falls within available exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit. The Committee may form and delegate authority to subcommittees consisting of one or more members or may delegate authority to one or more members, including the authority to grant preapprovals of audit and permitted non-audit services, provided that all decisions to grant preapprovals pursuant to such delegated authority will be presented to the entire Committee at its next scheduled meeting.

The Committee will have the authority, to the extent it deems necessary or appropriate to carry out its functions and responsibilities, to retain independent legal, accounting or other advisors. The Corporation will provide for appropriate funding, as determined by the Committee, for the payment of compensation to the independent auditor for the purpose of rendering or issuing an

audit report or related work or performing other audit, review or attest services and to any advisors employed by the Committee.

The Committee will make regular reports to the Board. The Committee will review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

In addition, the Committee will:

Financial Statement and Disclosure Matters

- Review and discuss with management and the independent auditor the Corporation's annual audited financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Corporation's Form 10-K.
- Review and discuss with management and the independent auditor the Corporation's quarterly financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.
- Review and discuss with management and the independent auditor, as applicable, (A) significant issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies; (B) analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative "GAAP" methods on the financial statements; (C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation; and (D) earnings press releases (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information) as well as financial information and earnings guidance (generally or on a case-by-case basis) provided to analysts and rating agencies.
- Hold meetings, no less than quarterly, to review and discuss reports from the independent auditor on (A) all critical accounting policies and practices to be used; (B) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and treatments preferred by the independent auditor; and (C) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

- Discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such risk exposures, including the Corporation's risk assessment and risk management policies or guidelines.
- Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit or any review services, including any difficulties encountered in the course of the audit or review work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- Review disclosures made to the Committee by the Corporation's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.
- Discuss with the independent auditor the matters required to be discussed by Auditing Standard No. 16 relating to communications between the independent auditor and the Committee.

Oversight of the Corporation's Relationship with the Independent Auditor

- (1) Obtain and review a report from the independent auditor at least annually regarding (A) the audit firm's internal quality-control procedures, (B) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by an inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (C) any steps taken to deal with such issues, and (D) all relationships between the independent auditor and the Corporation (consistent with the Independence Standards Board Standard 1); (2) evaluate the qualifications, performance and independence of the independent auditor, including a review and evaluation of the lead partner of the independent auditor considering whether the auditor's internal quality-controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and the Corporation's internal auditors; and (3) present its conclusions with respect to the independent auditor to the Board.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- Recommend to the Board policies regarding any potential hiring by the Corporation of employees or former employees of the independent auditor who were engaged on the Corporation's account or otherwise participated in any audit of the Corporation.

- Discuss with the independent auditor any accounting or auditing issues with respect to which the Corporation's audit team consulted with the independent auditor's national office.
- Review with the independent auditor any audit problems or difficulties and management's response.
- Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

Oversight of the Corporation's Internal Audit Function

Ensure the Corporation maintains an internal audit function.

Discuss with the independent auditor and management the internal auditor function's responsibilities, budget and staffing and any recommendations or suggested changes in the planned scope of the internal audit.

Review with the internal auditor, on a periodic basis as appropriate, the results of specified projects assigned to the internal auditor, and coordinate with management to ensure that any significant findings or control weaknesses are addressed and resolved.

Compliance Oversight Responsibilities

- Review any reports of the independent auditor mandated by Section 10A of the Exchange Act and obtain from the independent auditor any information with respect to illegal acts in accordance with Section 10A.
- Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Take actions necessary to enforce the Code of Business Conduct and Ethics adopted by the Board, including the establishment of procedures to consider alleged violations of that Code, waivers of provisions of that Code, and reporting and disclosure of such violations and waivers.

Limitation on Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to, and the Committee will not, (a) plan or conduct audits, (b) prepare the Corporation's financial statements, or (c) determine or certify that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

ADOPTED, by the Corporation's Board of Directors the 26th day of September, 2019.