

## SYNACOR, INC.

### AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

As adopted by the Board of Directors on November 16, 2011

#### **PURPOSE:**

This Charter sets forth the composition, authority and responsibilities of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Synacor, Inc. (the “Company”). The purpose of the Committee shall be to assist the Board in fulfilling its oversight responsibilities relating to the Company’s financial accounting, internal controls, reporting and compliance. The Committee’s principal functions are to serve as an independent and objective monitor of:

- The quality and integrity of the Company’s financial statements, accounting principles, reporting and disclosures;
- The effectiveness of the Company’s disclosure controls and procedures and internal controls over financial reporting;
- The Company’s compliance with legal and regulatory requirements and internal policies regarding ethical conduct; and
- The independent auditor’s qualifications, independence and performance.

The Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board from time to time prescribes. Consistent with these functions, the Committee will encourage continuous improvement of, and foster adherence to, the Company’s policies, procedures and practices at all levels.

#### **MEMBERSHIP:**

The members of the Committee will be nominated by, will be appointed by, and will serve at the discretion of, the Board. The Committee will consist of at least three (3) members of the Board who meet the following criteria (in each case to the extent that such requirements are effective from time to time):

- Subject to any phase-in allowances, each member will be an independent director in accordance with the applicable rules of The Nasdaq Global Market (“Nasdaq”) and the rules of the Securities and Exchange Commission (“SEC”);
- Each member will be able to read and understand fundamental financial statements, in accordance with the applicable rules of Nasdaq;

- No member shall have participated in the preparation of the financial statements of the Company at any time during the past three (3) years;
- At least one member will have 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, in accordance with the applicable rules of Nasdaq; and
- At least one member will be an "audit committee financial expert" in accordance with the applicable rules of Nasdaq and the SEC.

The Board shall designate one member of the Committee as the Committee's Chairperson. Each member shall serve until his or her successor is duly elected and qualified or until his or her earlier resignation.

## **RESPONSIBILITIES AND AUTHORITY**

The responsibilities and authority of the Committee shall include:

### *Processes, Controls and Risk Management*

1. Reviewing periodically the Company's financial reporting processes and disclosure controls and processes, based on consultation with the Company's management, independent auditors and counsel;
2. Reviewing periodically the adequacy and effectiveness of the Company's internal control policies and procedures, including, to the extent applicable, the responsibilities, budget, staffing and effectiveness of the Company's internal audit function, based on consultation with the Company's management and independent auditors;
3. Reviewing the reports prepared by management, and attested to by the Company's independent auditors, assessing the adequacy and effectiveness of the Company's internal controls and procedures, prior to the inclusion of such reports in the Company's periodic filings as required under the rules of the SEC; the Committee will also meet separately with the independent auditors, with and without management present, to discuss the results of their examination;
4. Discussing guidelines and policies governing the process by which management and other persons responsible for risk management assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, based on consultation with the Company's management and independent auditors;

5. Discussing with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies;
6. Discussing with the Company's outside legal counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies;

*Independent Auditors*

7. Appointing, retaining and approving the compensation of and overseeing the work of the Company's independent auditors; in this regard, the Committee shall have the sole authority to approve the hiring and firing of the independent auditors and the independent auditors shall report directly to the Committee;
8. Pre-approving audit and permissible non-audit services provided to the Company by the independent auditors (or subsequently approving non-audit services in those circumstances where a subsequent approval is permissible);
9. Discussing with the Company's independent auditors their annual audit plan, including the scope of audit activities and all critical accounting policies and practices to be used, and any other matters required to be discussed by Statement on Accounting Standard No. 61, as it may be modified or supplemented;
10. Reviewing quarterly with management, the Company's independent auditors and, to the extent applicable, the internal auditors (or other persons responsible for the Company's internal audit function):
  - The results of the annual audit of the Company, interim and year-end operating results, and the independent auditors' procedures with respect to interim periods, in each case including any significant findings, comments or recommendations of the independent auditors and, to the extent applicable, internal auditors (or other persons responsible for evaluating the Company's compliance with internal controls) together with management's responses thereto; and
  - Any significant changes in the Company's accounting principles or the methods of applying the Company's accounting principles;

11. Reviewing and discussing reports from the independent auditors on:
  - All critical accounting policies and practices used by the Company;
  - Alternative accounting treatments within generally accepted accounting principles related to material items that have been discussed with management, including the ramifications of the use of the alternative treatments; and
  - Other material written communications between the independent auditors and management;
12. Reviewing with the Company's independent auditors their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such matters as are required to be discussed with the Committee under generally accepted auditing standards;
13. Obtaining and reviewing at least annually a report by the Company's independent auditors describing:
  - The independent auditors' internal quality-control procedures; and
  - Any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues;
14. Obtaining and reviewing at least annually a formal written statement by the Company's independent auditors delineating all relationships between the auditor and the Company, consistent with Independent Standards Board Standard No. 1, as it may be modified or supplemented, and reviewing and discussing with the auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors; in this regard, the Committee shall take appropriate action, if necessary, to ensure the independence of the auditors;
15. Reviewing periodically with the independent auditors any problems or difficulties encountered by the independent auditors in the course of any audit work, including management's response thereto, any restrictions on the scope of the independent auditor's activities or on access to requested information, and assisting to resolve any significant disagreements with management;
16. Conducting an annual evaluation of the qualifications, performance and independence of the independent auditors, including (a) the review and evaluation of the lead partner of the independent auditor, (b) whether, to assure continuing auditor independent rotation of the lead audit partners has occurred in accordance with the rules and regulations of the SEC, (c) whether, to assure continuing

auditor independence, there should be a regular rotation of the independent audit firm, (d) whether the auditors' quality controls are adequate and (e) whether the provision of non-audit services is in compliance with applicable law and compatible with maintaining the independent auditors' independence;

#### *SEC Reports and Other Disclosure*

17. Reviewing with management and the Company's independent auditors, before release:
  - the audited financial statements and unaudited interim financial statements; and
  - the Company's earnings announcements or financial releases and Management's Discussion and Analysis (MD&A) in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q;
18. Directing the Company's independent auditors to review, before filing with the SEC, the Company's interim financial statements included in quarterly reports on Form 10-Q, using professional standards and procedures for conducting such reviews;
19. Overseeing compliance with the disclosure requirements of the SEC, including disclosure of information regarding auditors' services and audit committee members, member qualifications and activities;
20. Preparing any report required to be prepared by it for inclusion in the proxy statement of the Company under SEC rules and regulations;

#### *Other Responsibilities and Authority*

21. Establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
22. Reviewing and approving all related party transactions in accordance with the applicable rules of Nasdaq and the SEC and any related policies and procedures adopted by the Company and then in effect;
23. Reviewing, approving and monitoring the Company's code of ethics for the Chief Executive Officer and senior financial officers and the Code of Business Conduct in accordance with the applicable rules of Nasdaq and the SEC, including any waivers of the Code of Business Conduct for any directors and officers;
24. Establishing hiring policies regarding employment of employees, or former employees, of the Company's independent auditors in accordance with the applicable rules of Nasdaq and the SEC;

25. Reviewing the adequacy of the Committee's charter, structure, processes and membership requirements, at least on an annual basis;
26. Preparing and periodically updating an annual calendar and checklist for the Committee's responsibilities and authority; and
27. Performing such other duties as may be necessary or desirable to comply with the applicable laws, rules and regulations promulgated under the Sarbanes-Oxley Act, or by the SEC, Nasdaq or any other applicable governmental or regulatory agency, if such duties are customarily assigned to the Committee, or requested by the Board.

#### **INVESTIGATIONS, STUDIES AND OUTSIDE ADVISORS:**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company.

The Committee shall have the authority to engage independent legal, accounting and other advisors, as it determines necessary to carry out its duties. The Committee shall have sole authority to approve related fees and retention terms of such advisors, and the Company shall provide the Committee with adequate funding to allow the Committee to perform its duties under this Charter.

#### **EDUCATION:**

The Company is responsible for providing the Committee with educational resources related to accounting principles and procedures, current accounting topics pertinent to the Company and other material as may be requested by the Committee. The Company shall assist the Committee in maintaining appropriate financial literacy.

#### **MEETINGS:**

The Committee will establish its own schedule and will meet at least one (1) time each fiscal quarter.

The Committee will meet separately with members of the Company's management, the Company's independent auditors and, to the extent applicable, internal auditors (or other persons responsible for monitoring the Company's compliance with internal controls) at such times as the Committee deems appropriate.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.

The Committee may also act by circulating a written consent to each member of the Committee. The written consent constitutes a valid action of the Committee if it has been

executed by each Committee member. The written consent will be filed with the minutes of Board meetings.

**MINUTES:**

The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

**REPORTS:**

The Committee shall prepare all reports required to be included in the Company's filings with the SEC, pursuant to and in accordance with applicable rules of the SEC.

The Committee also shall report regularly to the full Board, including with respect to any issues that arise with respect to the quality or integrity of the Company's financial statements, the effectiveness of the Company's internal controls or disclosure controls, the performance and independence of the Company's independent auditors, or any other issue that the Committee believes should be brought to the attention of the full Board. Such reports may be made orally or in writing.

**COMPENSATION:**

Members of the Committee shall receive such fees, if any, for their service as Committee members as may be determined by the Board. Such fees may include retainers or per meeting fees and shall be paid in such form of consideration as is determined by the Board in accordance with the applicable rules of Nasdaq and the SEC.

Members of the Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof and reimbursement for reasonable expenses.

**DELEGATION OF AUTHORITY:**

The Committee may, to the extent permitted under applicable law, the applicable rules of Nasdaq and the SEC, and the Company's Certificate of Incorporation and Bylaws, delegate to one or more designated members of the Committee the authority to pre-approve audit and permissible non-audit services, provided that such pre-approval decision is presented to the full Committee at a scheduled meeting.

## **LIMITATIONS OF COMMITTEE'S ROLE:**

The Committee's responsibilities are principally of an oversight nature. Although the Committee has the responsibilities set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are accurate, complete and stated in accordance with generally accepted accounting principles and other applicable rules and regulations. These are the responsibilities of the Company's management and independent auditors, and the Committee shall rely on their expertise and knowledge in carrying out its oversight responsibilities.