

MOLDFLOW CORPORATION

Audit Committee Charter

I. General Statement of Purpose

The Audit Committee of the Board of Directors (the "Audit Committee") of Moldflow Corporation (the "Company") oversees on behalf of the Board of Directors (the "Board") management's and the independent auditor's participation in the Company's financial reporting process and the Company's procedures for compliance with legal and regulatory requirements. The primary objective of the Audit Committee in exercising its oversight function is to promote and preserve the integrity of the Company's financial statements and system of internal controls and the independence and performance of the Company's external independent auditor.

II. Audit Committee Composition

The Audit Committee shall consist of at least three members, who shall be appointed annually by the Board, or a nominating committee of the Board, and shall satisfy the independence and qualification requirements of the National Association of Securities Dealers, Inc. and the criteria for independence set forth in the Sarbanes-Oxley Act of 2002 (the "S-O Act"). The Board shall designate one member of the Audit Committee to be Chairman of the committee.

III. Meetings

The Audit Committee generally is to meet at least four times per year in person or by telephone conference call, with any additional meetings as deemed necessary by the Audit Committee.

IV. Audit Committee Activities

The principal activities of the Audit Committee will generally include the following:

A. Review of Charter

- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

B. Matters Relating to Selection, Performance and Independence of Independent Auditor

- The Audit Committee shall have the sole authority to appoint, terminate and determine funding for the Company's independent auditor.
- The Audit Committee will be directly responsible for the oversight of the work of the

independent auditor.

- Evaluate on an annual basis the performance of the independent auditor and, if necessary in the judgement of the Audit Committee, recommend that the Board replace the independent auditor.
- The Audit Committee will pre-approve all auditing services and the terms thereof and allowable non-audit services and the terms thereof to be provided to the Company by the independent auditor in accordance with the requirements of the Securities Exchange Act of 1934 (the "Exchange Act").
- Require that the independent auditor provide the Audit Committee with periodic reports regarding the auditor's independence, which reports shall include but not be limited to a formal written statement setting forth all relationships between the independent auditor and the Company or any of its officers or directors, including the written disclosures and the letter required by Independence Standards Board Standard No. 1 as may be modified or supplemented. The Audit Committee shall discuss such reports with the independent auditor, and if necessary in the judgment of the Audit Committee, the committee shall recommend that the Board take appropriate action to ensure the independence of the auditor or replace the auditor.

C. Audited Financial Statements and Annual Audit

- Review the overall audit plan (both external and internal) with the independent auditor and the members of management who are responsible for maintaining the Company's accounts and preparing the Company's financial statements, including the Company's Chief Financial Officer and/or principal accounting officer or principal financial officer (the Chief Financial Officer and such other officer or officers are referred to herein collectively as the "Senior Accounting Executive").
- Review and discuss with management (including the Company's Senior Accounting Executive) and with the independent auditor:
 - (i) the Company's annual audited financial statements, including any significant financial reporting issues which have arisen in connection with the preparation of such audited financial statements;
 - (ii) the adequacy of the Company's internal controls and procedures that could significantly affect the integrity of the Company's financial statements, including a review of management's assessment of its internal control over financial reporting and the independent auditor's audit of such assessment;

- (iii) major changes in and other questions regarding accounting and auditing principles and procedures and the Company's internal control over financial reporting; and
 - (iv) the effectiveness of the Company's internal audit process (including evaluations of its Senior Accounting Executive and any other relevant personnel).
- Review and discuss with the independent auditor (outside of the presence of management) any problems or difficulties that the auditor may have encountered with management or others. This review shall include considering:
 - (i) any difficulties encountered by the auditor in the course of performing its audit work, including any restrictions on the scope of its activities or its access to information; and
 - (ii) any changes required by the auditor in the scope or performance of the Company's external audit.
- Review and discuss major changes to the Company's auditing and accounting principles and practices that have occurred or as may be suggested by the independent auditor or management.
- Discuss with the independent auditor such issues as may be brought to the Audit Committee's attention by the independent auditor pursuant to Statement on Auditing Standards No. 61 "Communication with Audit Committees or Others with Equivalent Authority and Responsibility" ("SAS 61"), as amended by SAS No. 89 "Audit Adjustments", and SAS No. 90, "Audit Committee Communications."
- Review and discuss with the independent auditor any management letter provided by the auditor and the Company's response to that letter.
- Review and discuss with the independent auditors the matters required to be reported by such auditors pursuant to Section 10A(k) of the Exchange Act, including but not limited to (1) all critical accounting policies and practices used by the Company, (2) alternative accounting treatments that have been discussed with management along with the potential ramifications of using those alternatives and the treatment preferred by the independent auditor, and (3) other material written communications provided by the auditor to management..
- Based on the Audit Committee's review and discussions (1) with management of the audited financial statements, (2) with the independent auditor of the matters required

to be discussed by SAS 61, and (3) with the independent auditor concerning the independent auditor's independence, make a recommendation to the Board as to whether the Company's audited financial statements should be included in the Company's annual Report on Form 10-K.

- Request that the independent auditor provide the Audit Committee with the written disclosures and the letter required by Independence Standards Board Standard No. 1, and review and discuss with the independent auditor the independent auditor's independence.
- Prepare the Audit Committee report required by Item 306 of Schedule 14A of the Exchange Act (or any successor provision) to be included in the Company's annual proxy statement.

D. Unaudited Quarterly Financial Statements

- Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the release of quarterly earnings or the filing of the Form 10-Q. Such review shall include discussions by the Chairman of the Audit Committee or the Audit Committee with the independent auditor of such issues as may be brought to the Chairman's or Audit Committee's attention by the independent auditor pursuant to Statement on Auditing Standards No. 100, "Interim Financial Information".

E. Procedures for Addressing Complaints and Concerns

- The Audit Committee shall establish procedures for (1) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (2) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

F. Matters Relating to the Independence of the Audit Committee

- Periodically review the independence of each member of the Audit Committee and promptly bring to the attention of management and the Board any relationships or other matters that may in any way compromise or adversely affect the independence of any member of the Audit Committee or any member's ability to assist the Audit Committee in fulfilling its responsibilities under this Charter, including any such relationship or other matter that may have caused or may in the future cause the Company to fail to comply with the requirements set forth in the Marketplace Rules of the National Association of Securities Dealers, Inc.

G. General

- The Audit Committee may engage independent counsel and such other advisors it deems necessary or advisable to carry out its responsibilities and powers, and, if such counsel or other advisors are engaged shall determine the compensation or fees payable to such counsel or other advisors.
- The Audit Committee may be requested by the Board to review or investigate on behalf of the Board activities of the Company or of its employees, including compliance with laws, regulations or Company policies.
- As necessary, the Audit Committee will monitor the activities of the Company's legal counsel, including periodic reviews with such counsel regarding material legal matters and the Company's legal compliance.
- The Audit Committee will provide oversight of the Company's implementation of an ethics policy and of the process established to insure compliance with such policy.
- The Audit Committee will perform such other oversight functions as may be requested by the Board.
- In performing its responsibilities, the Audit Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and the independent auditor. The Audit Committee shall have the authority to retain special legal, accounting or other professionals to render advice to the committee. The Audit Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Audit Committee or meet with any members of or advisors to the Audit Committee.

Notwithstanding the responsibilities and powers of the Audit Committee set forth in this Charter, the Audit Committee does not have the responsibility of planning or conducting audits of the Company's financial statements or determining whether or not the Company's financial statements are complete, accurate and in accordance with generally accepted accounting principles. Such responsibilities are the duty of management and, to the extent of the independent auditor's audit responsibilities, the independent auditor. It also is not the duty of the Audit Committee to resolve disagreements, if any, between management and the independent auditor or to ensure compliance with laws, regulations or Company policies.