



AUDIT COMMITTEE CHARTER

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I. PURPOSE

The purpose of the audit committee (the “**Audit Committee**”) of the board of directors (the “**Board**”) of Tantalus Systems Holding Inc. (the “**Corporation**”) is to assist the Board in its oversight of:

- A. the quality and integrity of the financial statements, the financial reporting process and related information;
- B. the independence, qualifications and appointment and performance of the Corporation’s external auditor (the “**External Auditor**”) and the performance of the Corporation’s internal audit function, if applicable;
- C. the accounting and financial reporting policies, practices and procedures of the Corporation and its subsidiaries and affiliates;
- D. the Corporation’s compliance with applicable legal and regulatory requirements, as applicable and subject to the advice of internal or external legal counsel;
- E. management’s design, implementation and effective conduct of disclosure, internal controls and audit procedures (internal and external) over financial reporting;
- F. preparation of disclosures and reports required to be prepared by the Audit Committee by any law, regulation, rule or stock exchange listing standard;

- G. enterprise risk management processes and practices, treasury, tax, hedging, and financial strategies and policies; and
- H. whistleblower policy and processes, including pursuant to, and in accordance with, the Corporation's whistleblower policy (the "**Whistleblower Policy**").

In addition, the Audit Committee provides an avenue for communication between the External Auditor, management, and other employees of the Corporation, as well as the Board, concerning, among other things, accounting and auditing matters.

The composition and meetings of the Audit Committee are subject to the requirements set forth in the articles of the Corporation, as well as in applicable laws and the rules of the TSX Venture Exchange (the "**TSXV**") or Toronto Stock Exchange (the "**TSX**"), as is applicable. The present charter ("**Audit Committee Charter**") is not intended to limit, enlarge or change in any way the responsibilities of the Audit Committee as determined by such articles, by-laws, applicable laws and the rules of the TSXV or TSX, as is applicable.

II. DUTIES AND RESPONSIBILITIES

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. The Audit Committee is responsible for, and has the explicit authority, to investigate any matters that fall within its responsibilities. To that end, the Audit Committee shall have the following duties and responsibilities:

A. FINANCIAL REPORTING AND CONTROL

1. Review and discuss with management and the External Auditor the following:
 - a. major issues regarding accounting principles and financial statement presentation, including any significant changes in the Corporation's selection or application of accounting principles, and 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 and/or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the adoption of all major accounting policies and practices, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
 - c. the effect of regulatory and accounting developments, as well as any off-balance sheet arrangements, on the financial statements of the Corporation;
 - d. the type and presentation of information to be included in earnings press releases (including any use of pro-forma or non-IFRS information as well as the presentation of future-oriented financial information and other forward-looking information);
 - e. any going concern assumptions, if any;
 - f. any corporate governance issues which could significantly affect the financial statements; and
 - g. all matters required to be communicated to the Audit Committee under accounting policies, auditing standards or other applicable requirements.
2. Review and discuss with management and the External Auditor, report and, where appropriate, provide recommendations to the Board on the following, prior to its public disclosure in accordance

with the Corporation's disclosure, confidentiality and trading policy (the "**Disclosure, Confidentiality & Trading Policy**"):

- a. the annual and interim consolidated financial statements and related management's discussion and analysis, annual information forms, earnings press releases and the quality and integrity of the financial reporting and internal controls of the Corporation;
 - b. any audit issues raised by the External Auditor and management's response thereto, including any restrictions on the scope of the activities of the External Auditor or access to requested information and any significant disagreements with management;
 - c. to the extent not previously reviewed by the Audit Committee, all financial statements included in any prospectus, business acquisition report and all other financial reports, financial statements and other financial information required by regulatory authorities, applicable laws, regulations, rules, stock exchange requirements and/or requiring approval by the Board; and
 - d. any other information deemed necessary to review as determined by the Board, the Executive Officers (as defined below), the External Auditor or the Audit Committee itself
3. Review and discuss reports from the External Auditor on:
- a. all critical accounting policies and practices used by the Corporation;
 - b. all material selections of accounting policies when there is a choice of policies available under IFRS (or other applicable accounting standard) that have been discussed with management, including the ramifications of the use of such alternative treatment and the alternative preferred by the External Auditor;
 - c. other material written communications between the External Auditor and management, and discuss such communications with the External Auditor;
 - d. the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the financial statements; and
 - e. all such other reports prepared by the External Auditor, from time to time.

B. OVERSIGHT OF THE EXTERNAL AUDITOR

1. Recommend to the Board the External Auditor to be nominated for the purpose of preparing the External Auditor's report as well as the External Auditor's compensation for doing so. The External Auditor is expected to report directly to the Audit Committee.
2. Oversee the work of the External Auditor and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any subsidiary of the Corporation, where required, and review, report and, provide recommendations to the Board on the appointment, terms and review of engagement, removal, independence and proposed fees of the External Auditor.
3. Approve in advance all audit, review or attest engagement fees and terms for all audit, review or attest services to be provided by the External Auditor to the Corporation and any consolidated subsidiary and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required.

4. Pre-approve all engagements for permitted non-audit services provided by the External Auditor to the Corporation and any consolidated subsidiary, and to this effect, establish policies and procedures as appropriate for the engagement of the External Auditor to provide non-audit services.
5. Establish policies for the hiring of partners, employees and former partners and employees of the External Auditor in order to protect the independence of the External Auditor.
6. At least annually (or as frequently as may be required under applicable laws, regulations, rules or stock exchange requirements), consider, assess, and report to the Board on:
 - a. the independence of the External Auditor, including that the External Auditor's performance of permitted non-audit services does not impair the External Auditor's independence;
 - b. the External Auditor's written statement (i) delineating all relationships between the External Auditor and the Corporation; (ii) assuring that lead audit partner rotation is carried out, as required by law; and (iii) delineating any other relationships that may adversely affect the independence of the External Auditor; and
 - c. the evaluation of the lead audit partner, taking into account the opinions of management.
7. At least annually (or as frequently as may be required under applicable laws, regulations, rules or stock exchange requirements), obtain and review a report by the External Auditor describing:
 - a. the External Auditor's internal quality-control procedures; and
 - b. any material issues raised by the most recent internal quality-control review, or peer review of the External Auditor firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor firm, and any steps taken to deal with any such issues.
8. Resolve any disagreement between management and the External Auditor regarding financial reporting.
9. Review the annual audit plan with the External Auditor.
10. At least quarterly and when otherwise required or deemed necessary by the Audit Committee, meet with the External Auditor in the absence of management.

C. COMPLIANCE WITH LEGAL AND ACCOUNTING REQUIREMENTS

1. Review and discuss with management, legal counsel and the External Auditor, monitor, report and, when appropriate, provide recommendations to the Board on the adequacy of the Corporation's processes for complying with laws, regulations, rules, stock exchange listing requirements and applicable accounting standards.
2. Review, on a periodic basis with legal counsel, the Corporation's legal compliance with respect to:
 - (a) the legal and regulatory matters which may have a material effect on the Corporation and/or its financial statements, including with respect to pending or threatened material litigations; and
 - (b) corporate compliance policies and codes of conduct.

D. OVERSIGHT OF THE CORPORATION'S INTERNAL CONTROL SYSTEM

1. Review and discuss with management (including the internal audit team, as applicable) and the External Auditor, monitor, report and, where appropriate, provide recommendations to the Board on the following:
 - a. the Corporation's systems of internal controls over financial reporting, including information technology security and control, and any weakness, deficiency, significant finding or recommendation in relation therewith;
 - b. compliance with the policies and practices of the Corporation relating to business ethics;
 - c. compliance by directors, officers and other management personnel with the Disclosure, Confidentiality and Trading Policy; and
 - d. the relationship of the Audit Committee with other committees of the Board, management and the Corporation's subsidiaries' audit and other committees, as appropriate.
2. Review and discuss with the chief executive officer (the "CEO") and chief financial officer (the "CFO", and together with the CEO and the other executive officers, as appropriate, the "Executive Officers") of the Corporation the process for the certifications to be provided in the Corporation's public disclosure documents.
3. Review, monitor, report, and, where appropriate, provide recommendations to the Board on the Corporation's disclosure controls and procedures.
4. Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submissions by employees regarding questionable accounting or auditing matters pursuant to, and in accordance with, among other things, the Whistleblower Policy.

E. OVERSIGHT OF THE CORPORATION'S RISK MANAGEMENT

1. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's major business, operational, and financial risk exposures and the guidelines, policies and practices regarding risk assessment and risk management including the following:
 - a. the Corporation's processes for identifying, assessing and managing risks;
 - b. the Corporation's major financial risks, including derivative and tax risks, and operational risk exposures and the steps the Corporation has taken to monitor and control such exposures;
 - c. the Corporation's major security risks and security trends, including cybersecurity and privacy risks, that may impact the Corporation's operations and business; and
 - d. the Corporation's business continuity plans, including work stoppage and disaster recovery plans.
2. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's compliance with internal policies and practices regarding risk assessment and risk management and the Corporation's progress in remedying any material deficiencies thereto.
3. When appropriate, ensure that the Corporation and its subsidiaries establish risk assessment and risk management policies, and review and report thereon to the Board.

4. Review with management the credit worthiness, liquidity and important treasury matters including financial plans and strategies of the Corporation.
5. Review the Corporation's tax strategy, including its tax planning and compliance with applicable tax laws.
6. Review with management any hedging strategy that may be in place from time to time, including with respect to foreign exchange and interest rate hedging, financial or physical, intended to manage, mitigate or eliminate risks relation to foreign exchange and interest rate fluctuations.
7. Review all related party transactions and actual or potential conflicts of interest.

F. RELATIONSHIP WITH THE INTERNAL AUDITOR

1. If no internal audit function exists, the Audit Committee is responsible for periodically reviewing with management the need for such a function.

G. WHISTLEBLOWER, ETHICS, CONDUCT AND INTERNAL CONTROLS COMPLAINT PROCEDURES

In accordance with the terms of the Whistleblower Policy, ensure that the Corporation has in place adequate procedures for:

1. The receipt, retention and treatment of complaints received by the Corporation.
2. The confidential, anonymous submission of concerns regarding questionable matters or circumstances (including allegations with respect to fraud, accounting misconduct, harassment, violence, retaliation, etc.).

III. EVALUATION OF THE AUDIT COMMITTEE AND REPORT TO BOARD

1. The Audit Committee shall evaluate and review with the Board, at least on an annual basis (or as frequently as may be required under applicable laws, regulations, rules or stock exchange requirements), the performance of the Audit Committee as a whole, as well as the performance of the chair of the Audit Committee (the "**Audit Committee Chair**") and of each individual member of the Audit Committee while taking into account: (i) in the case of the Audit Committee as a whole, this Audit Committee Charter, (ii) in the case of the Audit Committee Chair, the applicable position description(s), and (iii) in the case of each individual member of the Audit Committee, the competencies and skills each individual member is expected to contribute to the Audit Committee.
2. The Audit Committee shall evaluate and assess, on an annual basis, the financial literacy and independence of the members of the Audit Committee (in accordance with applicable laws, rules, regulations and stock exchange listing requirements as referenced below).
3. The Audit Committee shall report to the Board periodically on the Audit Committee's activities.

IV. OUTSIDE ADVISORS

The Audit Committee shall have the authority to engage outside counsel and other outside advisors as it deems appropriate to assist the Audit Committee in the performance of its functions. The Corporation shall provide appropriate compensation for such advisors as determined by the Audit Committee.

V. MEMBERSHIP

The Audit Committee shall consist of such number of directors, in no event to be less than three, as the Board may from time to time by resolution determine. The members of the Audit Committee shall meet the independence

test and other membership requirements (including the financial literacy requirements pursuant to National Instrument 52-110 - *Audit committees*) under applicable laws, rules, regulations and stock exchange listing requirements.

VI. AUDIT COMMITTEE CHAIR POSITION DESCRIPTION

The Audit Committee Chair shall be appointed by the Board, provided that if the Board does not so designate a chair, the Audit Committee, by majority vote, may designate the Audit Committee Chair. The Audit Committee Chair leads the Audit Committee in all aspects of its work and is responsible for effectively managing the affairs of the Audit Committee and ensuring that it is properly organized and functions efficiently. More specifically, the Audit Committee Chair shall:

1. Provide leadership to enable the Audit Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Audit Committee Charter and as otherwise may be appropriate;
2. Ensure that there is an effective relationship between management of the Corporation and the members of the Audit Committee;
3. Chair meetings of the Audit Committee;
4. In consultation with the chair of the Board (the “**Board Chair**”), the corporate secretary of the Corporation (the “**Corporate Secretary**”), the Executive Officers, determine the frequency, dates and locations of meetings of the Audit Committee;
5. In consultation with the Executive Officers, review the annual work plan and the meeting agendas to ensure all required business is brought before the Audit Committee to enable it to efficiently carry out its duties and responsibilities;
6. Ensure, in consultation with the Board Chair, that all items requiring the Audit Committee’s approval, are appropriately tabled;
7. Ensure the proper flow of information to the Audit Committee and review, with the Executive Officers and the Corporate Secretary, the adequacy and timing of materials in support of management’s proposals;
8. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Audit Committee at the next meeting of the Board following any meeting of the Audit Committee;
9. Setting forth the Audit Committee’s expectations with respect to information (e.g., nature, level of detail, timing, reports, etc.) and ensuring the information received is responsive to important performance measures and to the key risks the Audit Committee oversees; and
10. Carry out any special assignments or any functions as requested by the Board.

VII. TERM

The members of the Audit Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of the shareholders, or until their successors are so appointed.

VIII. PROCEDURES FOR MEETINGS

Meetings of the Audit Committee may be called by any member of the Audit Committee or by the External Auditor. The Audit Committee shall fix its own procedures at meetings and for the calling of meetings. The Audit Committee will meet at least each quarter and otherwise as frequently necessary. The Audit Committee shall meet separately in

an “in-camera” session, in the absence of management of the Corporation and the External Auditor, at each regularly scheduled meeting. The Audit Committee will also meet with the External Auditor without management being present.

The Audit Committee may invite any directors, officers or employees of the Corporation or any other person to attend meetings of the Audit Committee to assist in the discussion and examination of the matters under consideration by the Audit Committee. The External Auditor shall receive notice of and attend, at the expense of the Corporation, each meeting of the Audit Committee.

IX. QUORUM AND VOTING

Unless otherwise determined from time to time by resolution of the Board, two members of the Audit Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Audit Committee Chair is absent, the chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decided unanimously.

X. SECRETARY

The Audit Committee will appoint a secretary to the Audit Committee who need not be a director or officer of the Corporation.

XI. VACANCIES

Vacancies at any time occurring shall be filled by resolution of the Board.

XII. LIMITATION ON DUTIES

Notwithstanding the foregoing and subject to applicable law, nothing contained in the present charter is intended to require the Audit Committee to ensure the Corporation’s compliance with applicable laws or regulations.

In contributing to the Audit Committee’s discharge of its duties under this charter, each member shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this charter is intended or may be construed as imposing on any member a standard of care or diligence that is in any way more onerous or extensive than the standard to which the members of the Board are subject.

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation’s shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. The terms contained herein are not intended to give rise to civil liability on the part of the Corporation or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

The Audit Committee shall discharge its responsibilities and shall assess the information provided by the Corporation’s management and any external advisors, including the External Auditor, in accordance with its business judgment. Audit Committee members are not full-time employees of the Corporation and are not, and do not represent themselves to be, professional accountants or auditors. The authority and responsibilities set forth in this Audit Committee Charter do not create any duty or obligation of the Audit Committee to (i) plan or conduct any audits, (ii) determine or certify that the Corporation’s financial statements are complete, accurate, fairly presented or in accordance with applicable accounting and audit standards and applicable laws, regulation, rules or stock exchange listing standards, (iii) guarantee the External Auditor’s reports, or (iv) provide any expert or special assurance as to internal controls or management of risk. Audit Committee members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons from whom they receive information, the accuracy and completeness of the information provided and management’s representations as to any audit or non-audit services provided by the External Auditor.

XIII. RECORDS

The Audit Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

XIV. ACCESS TO INFORMATION AND AUTHORITY

The Audit Committee will be granted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the members of the Audit Committee. The Audit Committee also has the authority to communicate directly with the External Auditor, the CFO, the lead of the internal audit function, if applicable, as well as any other employee of the Corporation as it deems necessary. The Audit Committee shall have the authority to delegate to subcommittees of the Board, provided however that the Audit Committee shall not delegate any power or authority required by any law, regulation, rule or stock exchange listing requirement to be exercised by the Board, or the Audit Committee, as a whole.

XV. REVIEW OF CHARTER

The Audit Committee will review and assess the adequacy of this Audit Committee Charter at least every three years and recommend to the Board any proposed changes for consideration. The Board may amend this Audit Committee Charter, as required.