



AUDIT COMMITTEE CHARTER

Adopted by the Board of Directors on June 14, 2021

1 PURPOSE

The Audit Committee (the “**Committee**”) assists the board of directors (the “**Board**”) of VerticalScope Holdings Inc. (the “**Company**”) in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions, including the Board’s oversight of (i) the quality, integrity, fairness and completeness of the Company’s financial statements and financial information, (ii) the accounting and financial reporting policies, practices and procedures, (iii) the qualifications, appointment, performance and independence of the external auditor, (iv) the performance of the internal audit function, (v) the Company’s disclosure controls and procedures, internal controls over financial reporting and management’s responsibility for assessing and reporting on the effectiveness of such controls, (vi) the Company’s risk management practices and financial reporting compliance, (vii) the preparation of disclosures and reports required to be prepared by the Committee by any applicable laws, regulations, rules and listing standards (the “**Applicable Laws**”), and (viii) the Company’s compliance with Applicable Laws.

In addition, the Committee provides an avenue for communication between the external auditor, management and other employees of the Company, as well as the Board, concerning accounting, financial reporting and auditing matters.

The composition and meetings of the Committee are subject to the requirements set forth in the articles and by-laws of the Company, as well as in any investor rights agreement or similar agreements which may exist, from time to time, between the Company and certain shareholders (the “**Investor Agreements**”), as well as in Applicable Laws.

2 COMPOSITION, QUALIFICATION AND APPOINTMENT

- 2.1 The Committee consists of such number of directors as the Board may, from time to time, by resolution determine, in no event to be less than three (3). Every Committee member must be a director of the Company.
- 2.2 Every Committee member must meet the independence test and other membership requirements (including, subject to the exemptions provided therein, the financial literacy requirements pursuant to National Instrument 52-110 – *Audit Committees*) under Applicable Laws, as determined by the Board.
- 2.3 Committee members are appointed by the Board. The members of the Committee are appointed promptly after each annual shareholders’ meeting.
- 2.4 Any member of the Committee may be removed and replaced at any time by the Board and also automatically cease to be a member of the Committee as soon as such member ceases to be a director. If and whenever a vacancy exists, the remaining members may exercise all the powers of the Committee as long as a quorum remains in office.
- 2.5 Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee and will be filled by the Board if the membership of the Committee falls below three (3) directors.

3 DUTIES AND RESPONSIBILITIES

The Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. In furtherance of its purpose and in addition to such responsibilities as may be required by Applicable Laws, the Committee assumes the following duties and responsibilities:

3.1 Accounting Policies, Financial Reporting and Control

- (a) Reviews the Company's accounting policies to ensure completeness and acceptability with the accounting standards adopted by the Company as part of the approval of the financial statements.
- (b) Reviews with management and the external auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting.
- (c) Discusses with management, the internal audit function and the external auditor the acceptability, appropriateness (within the range of acceptable options and alternatives), degree of aggressiveness/conservatism and quality of underlying accounting policies, disclosures and key estimates and judgments.
- (d) Discusses with management, the internal audit function and the external auditor the Company's internal controls and the integrity of the financial reporting and related attestations by the external auditors of the Company's internal controls over financial reporting.
- (e) Discusses with management and the external auditor the clarity and completeness of the Company's financial and non-financial disclosures.
- (f) Without limiting the foregoing, discusses with management, the internal audit function and the external auditor (i) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, and issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, (ii) any analysis 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, complex or unusual transactions and highly judgmental areas, such as the presentation and impact of significant risks and uncertainties, unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks and changes in provisions, estimates or provisions included in any financial statements, and key estimates and judgments of management that may be material to financial reporting, (iii) the effect of regulatory and accounting developments, as well as any off-balance sheet arrangements, on the financial statements of the Company, (iv) any corporate governance issues which could significantly affect the financial statements, and (v) all matters required to be communicated to the Committee under accounting policies, auditing standards or other applicable requirements.

3.2 External Auditor

- (a) Recommends 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.

- (b) Oversees the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (c) Reviews and approves in advance the proposed audit scope, focus areas, timing and key decisions (including materiality and reliance on internal audit) underlying the audit plan and the appropriateness and reasonableness of the proposed audit fees.
- (d) Establishes effective communication processes with management, the Board and the external auditor so that it can objectively monitor the quality and effectiveness of the external auditor's relationship with management and the Committee.
- (e) At least annually, considers, assesses, and reports to the Board on (i) the independence of the external auditor, (ii) the external auditor's written statement delineating all relationships between the external auditor and the Company, assuring that lead audit partner rotation is carried out, as required by law, and delineating any other relationships that may adversely affect the independence of the external auditor, and (iii) the evaluation of the lead audit partner, taking into account the opinions of management.
- (f) At least annually, receives and reviews reports from the external auditor on (i) all critical accounting policies and practices used by the Company, (ii) all material selections of accounting policies when there is a choice of policies available under International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board of London, England and adopted by the Canadian Accounting Standards Board, Generally Accepted Auditing Standards of Canada, that have been discussed with management, including the ramifications of the use of such alternative treatment and the alternative preferred by the external auditor, (iii) other material written communications between the external auditor and management, and (iv) the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the financial statements.
- (g) Receives and reviews regular reports from the external auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditors' final report.
- (h) Regularly meets with the external auditor without management present.
- (i) Reviews with the external auditor 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.
- (j) Considers and reviews with management the internal control memorandum or management letter containing the external auditor's recommendations and management's response, if any, including an evaluation of the adequacy and effectiveness of the Company's internal financial controls and procedures for financial reporting and following up with respect to any identified weaknesses.
- (k) Receives and reviews, at least as frequently as required by Applicable Laws, a report by the external auditor describing its internal quality control procedures and all relationships between the external auditor or any affiliates thereof and the Company or persons in financial reporting oversight roles at the Company that, as of the report's date, may reasonably be thought to bear on independence, and discussing with the external auditor the potential effects of such relationships.

- (l) Reviews and approves the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditors.
- (m) Pre-approves all audit and non-audit services (or delegate such pre-approval if and to the extent permitted by Applicable Laws) to be provided to the Company or its subsidiaries by the Company's external auditor where such pre-approval is required by Applicable Laws. Considers whether the auditor's provision of permissible non-audit services is compatible with the auditor's independence.
- (n) Engages the external auditor to perform a review of the interim financial statements required to be prepared by any Applicable Laws and reviewing their findings; however, no formal report from the external auditor will be required.

3.3 Internal Audit

- (a) Reviews and approves the mandate, nature, scope of work and organizational structure of the internal audit function as well as the annual audit plan and any major changes thereon.
- (b) Ensures that the internal audit function has the necessary resources to fulfill its mandate and responsibilities.
- (c) Periodically reviews the audit plan status, including a progress report on the internal audit mandates and a follow-up on past due recommendations.
- (d) Reviews internal audit reports, including management responses, and ensures that the necessary steps are taken to follow up on important report recommendations.
- (e) Reviews, with the assistance of the executive officers, the internal audit budget, resource plan, activities and organizational structure of the internal audit function.
- (f) Ensures the independence and effectiveness of the internal audit function, including by requiring that the function be free of any influence that could adversely affect its ability to objectively assume its responsibilities, by ensuring that it reports to the Committee and by meeting regularly with the lead of the internal audit function, without management being present in order to discuss, among others, the questions they raise regarding the relationship between the internal audit function and management and access to the information required.
- (g) Regularly meets with the internal audit function without management and the external auditor present.

3.4 Oversight of the Company's Risk Management

- (a) Reviews, monitors, reports and, where appropriate, provides recommendations to the Board on the Company's major business, operational, and financial risk exposures and the guidelines, policies and practices regarding risk assessment and risk management including the following:
 - (i) the Company's processes for identifying, assessing and managing risks;
 - (ii) the Company's insurance coverage, as well as the Company's major financial risks, including derivative and tax risks, and operational risk exposures and the steps the Company has taken to monitor and control such exposures;

- (iii) the Company's major security risks and security trends, including cybersecurity risks, that may impact the Company's operations and business; and
 - (iv) the Company's business continuity plans, including work stoppage and disaster recovery plans.
- (b) Reviews, monitors, reports and, where appropriate, provides recommendations to the Board on the Company's compliance with internal policies and practices regarding risk assessment and risk management and the Company's progress in remedying any material deficiencies thereto.
 - (c) Identifies the principal financial risks and assesses on the Company's "appetite" or tolerance for such financial risks, in consultation with management and the internal audit function.
 - (d) Reviews, on a periodic basis, the Company's insurance program coverage and related insured risks, including coverage for product liability, property damage, business interruption, liabilities, and directors and officers' liability.
 - (e) Reviews with management the credit worthiness, liquidity and important treasury matters including financial plans and strategies of the Company.
 - (f) Reviews the Company's tax strategy, including its tax planning and compliance with applicable tax laws.
 - (g) Reviews 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.
 - (h) Reviews the findings of any examinations by regulatory agencies, and any external auditors observations made regarding those findings.

3.5 Ethical and Legal Compliance

- (a) Reviews and discusses with management, legal counsel and the external auditor, monitors, reports and, when appropriate, provides recommendations to the Board on the adequacy of the Company's processes for complying with laws, regulations and applicable accounting standards and the results of management's investigation and follow-up of any instances of non-compliance.
- (b) Reviews, on a periodic basis with legal counsel, the Company's compliance with respect to (i) the legal and regulatory matters which may have a material effect on the Company and/or its financial statements, including with respect to pending or threatened material litigations, and (ii) corporate compliance policies and codes of conduct, as well as the Company's progress in remedying any material deficiencies that could have a significant impact on the Company.

3.6 Internal Controls and Deviations

- (a) Reviews and discusses with management, the internal audit function and the external auditor (i) the adequacy and effectiveness of the Company's internal controls over financial reporting, including information technology security and control (including any weakness, deficiency, significant finding or recommendation in relation therewith and any significant changes in internal controls), (ii) management's annual plan for monitoring of

internal controls over financial reporting, (iii) the plan and scope of the annual audit with respect to planned reliance and testing of controls, (iv) major points contained in the auditor's management letter resulting from control evaluation and testing, (v) the Company's disclosure controls and procedures, including any significant deficiencies in or material non-compliance with, such controls and procedures, (vi) compliance with the policies and practices of the Company relating to business conduct and ethics, and (vii) the relationship of the Committee with other committees of the Board and management, as appropriate.

- (b) Reviews plans of the external auditors to ensure the combined evaluation and testing of control is comprehensive, well coordinated, cost effective and appropriate to risks, business activities and changing circumstances.
- (c) Receives from management and the external auditors regular reports on all major control deviations, or indications/detection of fraud, and how such control breakdowns have been corrected.
- (d) Regularly meets with management without the external auditor present.
- (e) Reviews the risk of management's ability to override the Company's internal controls.
- (f) Reviews and discusses with the Company's Chief Executive Officer (or an officer carrying out the function of CEO) (the "CEO") and Chief Financial Officer (or an officer carrying out the function of CFO) (the "CFO") the process for the certifications to be provided and receives and reviews any disclosure from the Company's CEO and CFO made in connection with the required certifications of the Company's quarterly and annual reports filed, including (i) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial data, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

3.7 Complaints and Concerns

Establishes procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, including allegations with respect to fraud, accounting misconduct, harassment, violence and retaliation.

3.8 Public Disclosure

- (a) Reviews and discusses with management and the external auditor, reports and, where appropriate, provides recommendations to the Board on the following, prior to their public disclosure:
 - (i) the Company's annual and interim financial statements and associated MD&A (including the discussion of critical accounting estimates included therein), annual information form, prospectus-type documents, earnings press releases (including financial outlook, future-oriented financial information and other forward-looking information, and any pro-forma or non-IFRS information included therein); and
 - (ii) to the extent not previously reviewed by the Committee, all financial statements included in any prospectus, business acquisition report or offering memoranda

and all other financial reports required by regulatory authorities and/or requiring approval by the Board.

- (b) To the extent deemed appropriate, reviews and supervises the preparation by management of (i) any information of the Company required to be filed by the Company with applicable securities regulators or stock exchanges, (ii) press releases of the Company containing material financial information, earnings guidance, forward-looking statements, information about operations or any other material information, (iii) correspondence broadly disseminated to the shareholders of the Company, and (iv) other relevant material written and oral communications or presentations.
- (c) Reviews with management its evaluation of the Company's procedures and controls designed to assure that information required to be disclosed in the Company's periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by Applicable Laws for the filing of such reports, and considers whether any changes are appropriate in light of management's evaluation of the effectiveness of such disclosure controls.
- (d) Oversee by direct involvement or by delegation to a committee of management the administration of the Company's disclosure policies, including with respect to release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies, and make recommendations to the Board regarding changes to such policies.
- (e) Takes steps to satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assesses the adequacy of those procedures.

3.9 Other Responsibilities

- (a) Reviews the Company's policies and procedures for reviewing and approving or ratifying related party transactions. Reviews and approves or ratifies all related party transactions and real, potential or apparent conflicts of interest.
- (b) After consultation with the CFO and the external auditor, gains reasonable assurance, at least annually, of the quality and sufficiency of the Company's accounting and financial personnel and other resources.
- (c) Is informed of the appointment of the Company's senior financial executives.
- (d) Performs such other functions as may, from time to time, be assigned to the Committee by the Board.

4 PROCEDURAL MATTERS

4.1 Committee Chair

The Board appoints one (1) Committee member to act as its chair (the "**Committee Chair**"), provided that if the Board does not so designate a Committee Chair, the Committee, by a majority vote, may designate a Committee Chair. The Committee Chair may be removed at any time at the discretion of the Board. The incumbent Committee Chair continues in office until (i) a successor is appointed, (ii) he or she is removed by the Board, or (iii) he or she ceases to be a director of the Company. If the Committee Chair is absent from a meeting, the Committee will, by majority vote, select another Committee member to preside at that meeting.

The Committee Chair has the following responsibilities and duties:

- (a) Effectively leads the Committee in discharging all duties set out in this Charter.
- (b) Chairs meetings of the Committee.
- (c) In consultation with the chair of the Board (the “**Board Chair**”) and the secretary of the Company (the “**Company Secretary**”), develops and sets the agenda for Committee meetings and determines the time, place and frequency of Committee meetings.
- (d) Ensures, in consultation with the Board Chair, that (i) meeting materials are delivered to Committee members in sufficient time in advance of Committee meetings for a thorough review, (ii) all matters requiring the Committee’s approval are properly tabled and presented for consideration at Committee meetings, and (iii) Committee members are free to express their viewpoints.
- (e) Ensures the Committee meets as frequently as necessary to carry out its duties effectively and ensures that there is sufficient time during Committee meetings to fully discuss all business properly put before the Committee.
- (f) In consultation with the CEO, the CFO, , the Company Secretary (or persons carrying out the functions of such roles) and others, as required, reviews the Committee’s annual work plan.
- (g) Reports to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee.
- (h) Ensures that the Committee works as a cohesive group, including by maintaining effective communication and working relationships between members of the Committee, the Board, management and advisors.
- (i) Ensures that the resources available to the Committee (in particular, timely and relevant information) are adequate to support its work.
- (j) Ensures that a process is in place for the evaluation on an annual basis of the effectiveness and performance of the Committee and the contribution of each Committee member, and that the results are reviewed with the Board Chair. Leads the Committee in each such assessment.
- (k) Meets with all Committee members and seeks their feedback on Board and committee performance and other matters.
- (l) Exercises all powers of the Committee between meetings, while attempting to involve all other members as appropriate prior to the exercise of any powers and, in any event, advises all other members of any decisions made or powers exercised.
- (m) Carries out any other or special assignments or any functions as may be requested by the Board.

4.2 Meetings

- (a) Meetings of the Committee may be called at the request of any member of the Committee, the CFO or the external auditor or otherwise as required by law. Any such request will set out in reasonable detail the business proposed to be conducted at the

meeting so requested. The Committee shall fix its own procedure at meetings and for the calling of meetings. The Committee meets at least each quarter and otherwise as necessary.

- (b) The CFO shall have direct access to the Committee and shall attend all meetings of the Committee, and the CEO and the Board Chair shall receive notice of and have the right to attend all meetings of the Committee, except in each case such part of the meeting, if any, which is a private session not involving all or some of these officers as determined by the Committee. The external auditor of the Company is given notice of every Committee meeting and, at the expense of the Company, is entitled to attend and be heard thereat, except such part of the meeting, if any, which is a private session not involving the external auditor. If requested by a Committee member, the external auditor attends every Committee meeting held during such external auditor's term of office.
- (c) Unless otherwise determined, from time to time, by resolution of the Board, a majority of the Committee constitutes a quorum. No business may be transacted by the Committee except by resolution in writing signed by all the Committee members (whether in writing or electronically) or at a Committee meeting at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communication facilities that permits all participants to communicate adequately with each other during the meeting. At Committee meetings, Committee actions shall require approval of a majority of the votes cast by Committee members, except where only two (2) members are present, in which case any question shall be decided unanimously.
- (d) The Committee and the Committee Chair may invite any directors, officers or employees of the Company and any advisors or such other persons as it sees fit, from time to time, to attend Committee meetings (or any part thereof) and assist in the discussion and consideration of matters relating to the Committee, and may exclude from all or any portion of its meetings any person it deems appropriate in order to carry out its responsibilities.
- (e) The Committee meets *in camera*, in the absence of management and the external auditor, at each regularly scheduled meeting.
- (f) The Company Secretary will be the secretary of all meetings. If the Company Secretary is not in attendance at any meeting, the Committee appoints a secretary to the Committee who need not be a director or officer of the Company. Minutes of Committee meetings will be recorded and maintained by the Committee's secretary and will be presented to the Committee Chair for review and approval.

4.3 Reporting to the Board

The Committee will report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

5 DELEGATION

The Committee has the authority to delegate to subcommittees, provided however that the Committee shall not delegate any power or authority required by Applicable Laws to be exercised by the Committee as a whole.

6 LIMITATIONS ON DUTIES

Notwithstanding the foregoing and subject to applicable law, nothing contained in the present Charter is intended to require the Committee to ensure the Company's compliance with Applicable Laws.

The Committee shall discharge its responsibilities and shall assess the information provided by the Company's management and any external advisors, including the external auditor, in accordance with its business judgment. Committee members are not full-time Company employees and are not, and do not represent themselves to be, professional accountants or auditors. The authority and responsibilities set forth in this Charter do not create any duty or obligation of the Committee to (i) plan or conduct any audits, (ii) determine or certify that the Company's financial statements are complete, accurate, fairly presented or in accordance with IFRS, as applicable, and Applicable Laws, (iii) guarantee the external auditor's reports, or (iv) provide any expert or special assurance as to internal controls or management of risk. 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.

Nothing in this Charter is intended or may be construed as to impose on any Committee member or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under Applicable Laws. This Charter is not intended to change or interpret the Company's constating documents, Investor Agreements or Applicable Laws to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such Applicable Laws. The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Company's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability on the part of the Company 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.

Any action that may or is to be taken by the Committee may, to the extent permitted by law or regulation, be taken directly by the Board.

7 RESOURCES

To fulfill its roles, duties and responsibilities effectively, the Committee may communicate directly with the Company's external auditors and the Company's officers and employees and request Company information and documentation from these persons. The Committee may investigate any matter relating to the Company's audit and accounting practices, or anything else within its scope of responsibility, and obtain full access to all Company books, records, facilities and personnel. In addition, the Committee may, in its sole discretion, retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee may set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

8 EVALUATION OF COMMITTEE AND CHARTER REVIEW

On an annual basis, the Committee shall review and evaluate its performance. In conducting this review, the Committee shall address such matters that the Committee considers relevant to its performance and evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The review and evaluation shall be conducted in such a manner as the Committee deems appropriate. Among other things, the Committee shall evaluate and assess the financial literacy of its members. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its review and evaluation, including any recommended changes to this Charter and any recommended changes to the Company's or the Board's policies or procedures, as it deems necessary or appropriate.

This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.

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