

**MANIFESTSEVEN HOLDINGS CORPORATION**  
(the "Company")

**AUDIT COMMITTEE CHARTER**  
(Adopted by the Board of Directors on September 25, 2020)

**Objectives**

The Audit Committee (the "**Committee**") will assist the Board of Directors (the "**Board**") in fulfilling its financial oversight responsibilities. The Committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control, and the audit process. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and external auditors. To effectively perform his or her role, each Committee member must obtain an understanding of the principal responsibilities of Committee membership as well as the Company's business, operations, and risks.

**Membership**

The Board shall appoint from among its members a Committee to hold office until their successors are elected or appointed. The Committee shall be composed of at least three directors, and not more than four directors, the majority of whom shall be "independent" (as such term is defined in National Instrument 52-110 – *Audit Committees*). Each member of the Committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the Committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

The Board may, from time to time, designate one of the members of the Committee to be the Audit Committee Chair.

**Meetings and Participation**

The Committee shall meet in accordance with a schedule established each year by the Board, and at other times that the Committee may determine. The Chair or any second member of the Committee may call a special meeting of the Committee. The Committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The agenda will be set by the Audit Committee Chair.

The Company's Chief Financial Officer shall act as management liaison with the Committee. The Committee may invite such officers, directors, and employees of the Company as it may see fit from time to time to attend meetings of the Committee and assist in the discussion of the Committee.

No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present. A quorum for meetings of the Committee is a majority of its Members.

The Committee shall keep minutes of its meetings in which shall be recorded all action taken by it, which minutes shall be approved by Committee members and available as soon as possible to the Board.

**Duties, Powers, and Responsibilities**

The Committee shall fulfill the following roles and discharge the following responsibilities:

**(a) External Audit**

The Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the Committee shall:

- recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review, or attest services for the Company;
- review (by discussion and inquiry) the external auditors' proposed audit scope and approach;

- review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- review and recommend to the Board the compensation to be paid to the external auditors; and
- review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

**(b) Internal Control**

The Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions, and the creation of obligations, commitments, and liabilities of the Company. In carrying out this duty, the Committee shall:

- evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts, or deficiencies in internal controls.

*Financial Reporting*

The Committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the Committee shall:

- review significant accounting and financial reporting issues, especially complex, unusual, and related party transactions; and
- review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

*Annual Financial Statements*

- review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

*Interim Financial Statements*

- review and approve the interim financial statements prior to their release to the public; and
- review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

*Release of Financial Information*

- where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

**(c) Non-Audit Services**

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the Committee.

*Delegation of Authority*

The Committee may delegate to one or more independent members of the Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Committee at its

next scheduled meeting.

#### *De-Minimis Non-Audit Services*

The Committee may satisfy the requirement for the pre-approval of non-audit services if:

- the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
- the services are brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom the authority to grant such approvals has been delegated.

#### *Pre-Approval Policies and Procedures*

The Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

- the pre-approval policies and procedures are detailed as to the particular service;
- the Committee is informed of each non-audit service; and
- the procedures do not include delegation of the Committee's responsibilities to management.

#### *Other Responsibilities*

The Committee shall:

- establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- review the policies and procedures in effect for considering officers' expenses and perquisites;
- perform other oversight functions as requested by the Board; and
- review and update this Charter and receive approval of changes to this Charter from the Board.

#### *Reporting Responsibilities*

The Committee shall regularly update the Board about Committee activities and make appropriate recommendations.

#### **Authority**

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- engage independent counsel and other advisors as it determines necessary to carry out its duties;
- set and pay the compensation for any advisors employed by the Committee; and
- communicate directly with internal and external auditors.

#### **Additional Guidance**

The following guidance is intended to provide the Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

### *Internal Control*

- evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

### *Financial Reporting*

#### General

- review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- understand industry best practices and the Company's adoption of them.

#### Annual Financial Statements

- review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- consider management's handling of proposed audit adjustments identified by the external auditors; and
- ensure that the external auditors communicate all required matters to the committee.

#### Interim Financial Statements

- be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the Company's operations and financing practices;
  - generally accepted accounting principles have been consistently applied;
  - there are any actual or proposed changes in accounting or financial reporting practices;
  - there are any significant or unusual events or transactions;

- the Company's financial and operating controls are functioning effectively;
- the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
- the interim financial statements contain adequate and appropriate disclosures.

*Compliance with Laws and Regulations*

- periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- review the findings of any examinations by securities regulatory authorities and stock exchanges.

*Other Responsibilities*

- review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.