

AIRBOSS OF AMERICA CORP.

AUDIT COMMITTEE CHARTER

Role and Objective

The Audit Committee (the “Committee”) is a committee of the board of directors (the “Board”) of AirBoss of America Corp. (the “Corporation”) to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management’s reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for approval of the Board, the audited financial statements, interim financial statements and other disclosure containing financial information. The primary objectives of the Committee are as follows:

1. To assist directors on meeting their responsibilities in respect of the review and approval of the financial statements of the Corporation and related documentation;
2. To provide a communication link between independent directors and external auditors;
3. To enhance the external auditor’s independence;
4. To increase the credibility and objectivity of financial reports; and
5. To strengthen the role of the independent directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

Approval of Charter

Amendments to the Audit Committee Charter require approval by the Board.

Membership of Committee

1. The Committee shall be comprised of at least three (3) directors of the Corporation, none of whom are members of management of the Corporation and all of whom are “independent” (as such term is used in National Instrument 52-110 - *Audit Committees* (“NI 52-110”), unless the Board shall have determined that an exemption in NI 52-110 is available and has determined to rely thereon.
2. The Board shall appoint a member to be the Committee Chair.
3. All of the members of the Committee shall be “financially literate” (as defined in NI 52-110) unless the Board shall determine that an exemption under NI 52-110 from such requirement in respect of any particular member is available and has determined to rely thereon.

Mandate and Responsibilities of Committee

1. The Committee shall provide oversight on the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.
2. The Committee shall satisfy itself on behalf of the Board with respect to the Corporation's internal control systems and its ability to: (a) identify, monitor and mitigate business risks; and (b) ensure compliance with legal, ethical and regulatory requirements.
3. The Committee shall review (a) the annual and interim financial statements of the Corporation, the related management's discussion and analysis ("MD&A") and the related press releases and (b) any proposed disclosure of financial outlooks (including guidance) and future-oriented financial information (FOFI) prior to their submission to the Board for approval and their subsequent public disclosure. The Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements in any other public disclosure before release, and shall periodically re-assess the adequacy of those procedures.
4. The Committee's responsibilities should include but not be limited to:
 - reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - reviewing accounting treatment of unusual or non-recurring transactions;
 - reviewing disclosure requirements for commitments and contingencies;
 - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - reviewing unresolved differences between management and the external auditors; and
 - obtaining explanations of significant variances with comparative reporting periods.
5. With respect to the appointment of external auditors by the Board, the Committee shall:
 - recommend to the Board the external auditors to be nominated;
 - recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors shall report directly to the Committee;
 - on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
 - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
 - review and pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the

authority to pre-approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time.

6. Review with external auditors (and internal auditor if one is appointed by the Corporation) their assessment of the internal controls of the Corporation, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries.
7. The Committee shall review risk management policies and procedures of the Corporation, including with respect to hedging, litigation and insurance.
8. The Committee shall establish a procedure for:
 - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
9. The Committee shall review and approve the Corporation's hiring policies regarding, and must be apprised of and review any intent of the Corporation with respect to, the hiring of partners, employees and former partners and employees of the present and former external auditors of the Corporation.
10. The Committee shall have the authority to investigate any financial activity of the Corporation. All employees of the Corporation are to co-operate as requested by the Committee.
11. The Committee is authorized to engage independent counsel and other advisors (and to set and pay the compensation of such counsel and advisors so employed) as it determines necessary to carry out its duties and responsibilities at the expense of the Corporation without any further approval of the Board.

Meetings and Administrative Matters

1. At all meetings of the Committee every motion shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Board.
4. The Committee shall meet with the external auditor without the presence of management of the Corporation at least once per year (in connection with the preparation of the year-end financial statements) and separately with the internal auditor, if any, without the presence of other management at least once a year, and at such other times as the Committee considers appropriate.

5. Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
6. The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee. However, the Committee shall ensure that it holds discussions without the presence of management at each meeting
7. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
8. Any members of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold such office until the close of the next annual meeting of shareholders following appointment as a member of the Committee.
9. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Committee Chair.

Approved by the Board of Directors on March 16, 2017