

BADGER INFRASTRUCTURE SOLUTIONS LTD.

MANDATE OF THE AUDIT COMMITTEE

Adoption

This Mandate has been adopted by the Board of Directors (the **Board**) of Badger Infrastructure Solutions Ltd. (the **Corporation**).

References to "Badger"

In this Mandate, "**Badger**" means the Corporation and, where the context requires, the Corporation and its subsidiaries considered on a consolidated basis.

Overview

The Corporation will maintain an Audit Committee (the **Committee**), composed entirely of independent directors of the Corporation, to oversee the work of the external auditor and to assist the Board in carrying out its oversight responsibility for Badger's internal controls, financial reporting and risk management processes. The Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support. If determined necessary by the Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

Composition of the Committee

1. The Committee will consist of at least three directors of the Corporation (each, a **Director**). The Board will appoint the members of the Committee. The Board will appoint one member of the Committee to be the Chair of the Committee (the **Committee Chair**).
2. Each Director appointed to the Committee by the Board must be an independent Director. Generally speaking, a Director is "**independent**" if such Director has no direct or indirect material relationship with Badger. A "**material relationship**" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the Director's independent judgment. In determining whether a Director is independent, the Board will make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.
3. Each member of the Committee must be "**financially literate**". In order to be financially literate, a Director must be, at a minimum, able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that are reasonably expected to be raised by Badger's financial statements.
4. A Director appointed by the Board to the Committee will be a member of the Committee until replaced by the Board or until his or her resignation.

Meetings of the Committee

1. The Committee will convene a minimum of four times each year at such times and places as may be designated by the Committee Chair and whenever a meeting is requested by the Board, a member of the Committee, the external auditor, or a senior officer of Badger. Meetings of the Committee will correspond with the review of the quarterly and annual financial statements and management's discussion and analysis.
2. Notice of each meeting of the Committee will be given to each member of the Committee, the chair of the Board (the **Chair of the Board**), who will be entitled to attend each meeting of the Committee, and the Chief Executive Officer, who will attend whenever requested to do so by a member of the Committee.

3. Notice of a meeting of the Committee will:
 - (a) be in writing;
 - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
 - (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
 - (d) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
4. A quorum for the transaction of business at a meeting of the Committee will consist of a majority of the members of the Committee. However, it will be the practice of the Committee to require review, and, if necessary, approval of certain important matters by all members of the Committee.
5. A member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to hear and communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
6. In the absence of the Committee Chair, the members of the Committee will choose one of the members present to be Chair of the meeting.
7. The secretary of the meeting (the **Secretary**) will act as secretary of the meeting or, in the absence of the Secretary, the members of the Committee may choose one of the persons present to be the secretary of the meeting.
8. Senior management of Badger and other parties may attend meetings of the Committee at the invitation of the Committee Chair; however the Committee (i) shall meet with the external auditors independent of management and (ii) may meet with management or independently of management. The Chair of the Board can attend all meetings.
9. Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary.
10. The Committee members shall have an "in camera" session without management at every quarterly meeting and at other meetings when deemed appropriate. The Committee members shall have an "in camera" session without management but with the auditor at each Committee meeting held to approve the annual financial statements and at other meetings when deemed appropriate.

Duties and Responsibilities of the Committee Chair

1. 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 Badger.
2. The Committee Chair has the following responsibilities and duties:
 - (a) effectively leads the Committee in discharging all duties set out in this Mandate and chairs meetings of the Committee;
 - (b) ensures the co-ordination of the agenda, information packages and related events for Committee meetings in conjunction with the Chair of the Board, the Secretary, Badger's external auditors, and management of Badger;
 - (c) 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;

- (d) assesses the performance of Badger's external auditors and internal audit department, if any;
- (e) 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, while maintaining the independence of the Committee;
- (f) ensures that the resources available to the Committee (in particular, timely and relevant information) are adequate to support its work;
- (g) in collaboration with the Board and the Chair of the Board, reviews and assesses Committee attendance, performance and compensation and the size and composition of the Committee;
- (h) 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; and
- (i) carries out any other or special assignments or any functions as may be requested by the Board.

Duties and Responsibilities of the Committee

1. External Auditor - Appointment and Removal

The Committee will:

- (a) recommend to the Board, to put forward for shareholder approval at the annual meeting, the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted;
- (b) recommend to the Board the auditor's compensation and otherwise set the terms of the auditor's engagement (including reviewing and negotiating the engagement letter);
- (c) review and monitor the independence and performance of the auditor; and
- (d) when there is to be a change of auditor, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 – Continuous Disclosure (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period.

2. Auditor Oversight – Audit Services

The Committee will:

- (a) require the external auditor to report directly to the Committee and provide an avenue of communication among the auditor, management and the Board;
- (b) oversee the external audit process and results, including reviewing the audit plan and discussing with the auditor the nature and scope of the audit, the auditor's responsibilities in relation to the audit, the overall audit strategy, the timing of the audit, the processes used by the auditor to identify risks and reporting such risks to the Committee, and any other matters relevant to the audit;
- (c) review and discuss with management and the auditor any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgements of management that may be material to financial reporting;
- (d) review with management and with the auditor significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

- (e) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
- (f) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

3. Auditor Oversight – Non-Audit Services

The Committee will:

- (a) pre-approve all non-audit services to be provided by the auditor to Badger or its subsidiaries, provided that it may delegate such pre-approval to a member or certain members of the Committee as long as such members present the pre-approval at the next Committee meeting following such pre-approval; and
- (b) approve the engagement letter for non-audit services to be provided by the auditor together with estimated fees, and consider the potential impact of such services on the independence of the auditor.

4. Internal Controls

The Committee will:

- (a) oversee an effective system of internal controls and procedures for the Corporation relating to the financial reporting process and disclosure of financial results;
- (b) review with management the internal control memorandum or management letter containing the recommendations of the auditor and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of Badger and subsequent follow-up to any identified weaknesses;
- (c) monitor procedures for: (i) the receipt, retention and treatment of complaints relating to financial reporting and disclosure, accounting, internal controls, or auditing matters (ii) the confidential, anonymous submission by employees and other stakeholders of concerns relating to questionable accounting or audit matters; and
- (d) review and discuss with the Chief Executive Officer and Chief Financial Officer, or those who perform similar duties, the steps taken to complete the required certifications of annual and interim filings with the securities commissions.

5. Financial Statements

The Committee will:

- (a) review the Corporation's audited annual financial statements, accompanying auditor's report, management discussion and analysis (**MD&A**) and earnings press release with the auditor and management, before the Corporation publicly discloses this information;
- (b) review the Corporation's quarterly unaudited financial statements, MD&A and earnings press release with the auditor and management, before the Corporation publicly discloses this information;
- (c) assess the quality of the accounting principles applied to the financial statements, the clarity of the disclosure in the financial statements and whether the financial statements present fairly, in all material respects, in accordance with generally accepted accounting principles, the Corporation's financial condition, operational results and cash flows; and

- (d) upon satisfactory completion of its review, recommend the audited annual financial statements, auditor's report, related MD&A and press release, and quarterly financial statements, related MD&A and press release to the Board for approval.

6. Disclosure of Other Financial Information

The Committee will:

- (a) before public release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including press releases, prospectuses, annual reports, annual information forms, MD&A, and securities offering documents; and
- (b) periodically review and discuss with management the design, implementation and maintenance of effective procedures relating to the Committee's prior review of the Corporation's public disclosure of financial information extracted or derived from its financial statements and assess the adequacy of such procedures.

7. Risk Management

The Committee will:

- (a) review with management and the external auditors their assessment of significant corporate and financial risks and exposures;
- (b) review and assess the appropriateness and effectiveness of the steps that management has taken to monitor and mitigate such risks including policies, procedures, responses, recovery and communication and disclosure plans, where applicable;
- (c) communicate with the Board regarding the Corporation's Code of Conduct and on matters relating to ethics and fraud, as it relates to internal controls, financial reporting and all auditing activities;
- (d) enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a securityholder of Badger, the auditor, or senior management;
- (e) review trends and practices related to audit and risk management, including trends and practices identified in proxy advisory firm reports, and make recommendations in respect thereof to the Board and/or other relevant committees; and
- (f) annually review the adequacy of the Corporation's insurance program.

8. Legal Compliance

The Committee will review with Badger's legal counsel as required, but at least annually, any legal matter that could have a significant impact on Badger's financial statements, and any enquiries received from regulators, or government agencies.

9. Related Party Transactions

The Committee will review all proposed related party transactions, other than those reviewed by a special committee of disinterested directors in accordance with Canadian corporate and securities laws.

10. General

The Committee will:

- (a) review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process;
- (b) review and approve the Corporation's policies respecting the hiring of any (former or current) auditor's past or present employees or past or present partners;
- (c) review policies and practices concerning the expenses and perquisites of the Chief Executive Officer and Chairman of the Board, including the use of the assets of the Corporation;
- (d) periodically review with management the need for an internal audit function; and
- (e) complete any other duties and responsibilities delegated by the Board to the Committee from time to time.

11. Reporting

The Committee shall report to the Board on all matters set out in this Mandate and other matters assigned to the Committee by the Board, including: the auditor's independence, the auditor's performance, the recommendation to reappoint or terminate the auditor, the adequacy of internal controls, the review of annual and interim financial statements along with the related MD&A, compliance with legal and regulatory matters and such other matters affecting the financial statements, the Corporation's risk management programs and any risks identified in such programs.

12. Authority

The Committee shall have the authority to:

- (a) inspect any and all of the books and records of Badger;
- (b) meet privately with the auditor as frequently as the Committee deems necessary to fulfil its responsibilities and to discuss any concerns in relation to the matters covered by this Mandate;
- (c) discuss with management, any affected party and the auditor, such accounts, records and other matters as any member of the Committee deems necessary to fulfil its responsibilities in relation to the matters covered by this Mandate; and
- (d) engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors.

13. Assessment

The Committee will annually assess the adequacy of this Mandate and the performance of the Committee in fulfilling it, and recommend any proposed changes to the Mandate to the N&G Committee for its consideration and, if acceptable recommendation to the Board for approval.

Document Control Information

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