

BLACKLINE SAFETY CORP.

AUDIT COMMITTEE

MANDATE AND TERMS OF REFERENCE

Role and Objective

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Blackline Safety Corp. ("**Blackline**" or the "**Corporation**") to which the Board has delegated its responsibility for the oversight of the following. Unless the context otherwise requires, all references herein to the Corporation or Blackline shall include its direct and indirect subsidiaries.

1. nature and scope of the annual audit;
2. the oversight of reporting by management of Blackline ("**Management**") on internal accounting standards and practices;
3. the review of financial information, accounting systems and procedures;
4. financial reporting and financial statements,

and has charged the Committee with the responsibility of recommending for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are to:

1. assist directors of Blackline ("**Directors**") in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Corporation and related matters, including compliance with legal and regulatory requirements;
2. facilitate communication between Directors and external auditors;
3. consider the external auditor's independence;
4. assess the credibility and objectivity of financial reports, the financial reporting process and internal controls over financial reporting;
5. strengthen the role of the independent Directors by facilitating in-depth discussions between Directors on the Committee, Management and external auditors;
6. maintain oversight of financial risk identification, assessment and management programs; and
7. establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters.

Membership of Committee

1. The Board will appoint members to the Committee. The Committee will be composed of at least three (3) Directors or such greater number as the Board may determine from time to time, and all members of the Committee shall be "independent" (as such term is used in National Instrument 52-

110 – *Audit Committees* ("NI 52-110") unless the Board determines that the exemption contained in NI 52-110 is available and determines to rely thereon.

2. The Board will from time to time designate one of the members of the Committee to be the Chair of the Committee (the "**Chair**").
3. All of the members of the Committee must be "financially literate" (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon.

Mandate and Responsibilities of Committee

It is the responsibility of the Committee to:

1. oversee the work of the external auditors, including the resolution of any disagreements between Management and the external auditors regarding financial reporting;
2. satisfy itself on behalf of the Board with respect to Blackline's internal control systems, including financial and non-financial elements; identify, monitor and mitigate business risks; and compliance with legal, ethical and regulatory requirements;
3. review the annual and interim financial statements of the Corporation and related management's discussion and analysis ("**MD&A**") prior to their submission to the Board for approval. The process should include but not be limited to:
 - (a) 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;
 - (b) reviewing significant accruals, reserves or other estimates such as impairment calculations;
 - (c) reviewing accounting treatment of material unusual or non-recurring transactions;
 - (d) ascertaining compliance with covenants under loan or other credit facility agreements;
 - (e) reviewing subsequent events and related disclosures;
 - (f) reviewing disclosure requirements for commitments and contingencies;
 - (g) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - (h) reviewing unresolved differences between Management and the external auditors;
 - (i) obtaining explanations of significant variances with comparative reporting periods; and
 - (j) determining through inquiry if there are any related party transactions and ensuring that the nature and extent of such transactions are properly disclosed;
4. in addition to the review of financial statements and MD&A described above, review public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results, prospectuses, and if applicable, the annual information form) before release and prior to

Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Blackline's disclosure of all other financial information and will periodically assess the accuracy of those procedures;

5. with respect to the appointment of external auditors by the Board:
 - (a) conduct an annual evaluation of the performance of the external auditors through discussions with the CFO and CEO following the conclusion of the annual financial statement audit. In addition, perform a periodic, comprehensive review of the external auditors' performance, including a comprehensive assessment of audit quality, independence, and effectiveness, to determine whether initiating a request for proposal (RFP) for external audit services is deemed necessary.
 - (b) recommend to the Board the external auditors to be nominated;
 - (c) recommend to the Board the terms of engagement of the external auditor, including compensation and a confirmation that the external auditors will report directly to the Committee;
 - (d) 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;
 - (e) monitor the relationship between Management and the external auditor including reviewing any Management letters or other reports of the external auditor and discussing any material differences of opinions between Management and the external auditor;
 - (f) when there is to be a change in external 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
 - (g) review and pre-approve any non-audit services to be provided to Blackline 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(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) 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 Blackline) their assessment of the internal controls of Blackline, their written reports containing recommendations for improvement, and Management's response and follow-up to any identified weaknesses. The Committee will 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 Blackline;
7. review risk management policies and procedures of the Corporation (i.e., hedging, litigation, third party credit risk, insurance and cybersecurity). In this regard, the Committee shall regularly:
 - (a) identify and review the principal business risks, including potential emerging risks, of the Corporation and the actions taken by the Corporation to mitigate the risks;
 - (b) identify and review the principal financial risks and exposures of the Corporation, together with mitigating strategies, including physical and financial positions in commodities markets,

derivatives strategies, capital commitments, foreign exchange exposures, and exposure to interest rate fluctuations, as well as liaising with the Governance and Nominating and Compensation Committees on non-financial risks and exposures including, but not limited to, risks relating to health, safety, diversity, environmental and social matters;

- (c) review the policies and activities of the Corporation's finance group and the financial risks arising from those activities, including any proposed authorities of Management from the Board for the hedging of the exposures;
 - (d) review, and if desirable, recommend changes to the insurance program including coverage for property damage, business interruption and liabilities;
 - (e) review and identify information technology, information systems and cybersecurity risks of the Corporation;
8. establish a procedure for:
 - (a) the receipt, retention and treatment of complaints received by Blackline regarding accounting, internal accounting controls or auditing matters;
 - (b) the confidential, anonymous submission by employees of Blackline of concerns regarding questionable accounting, auditing or other governance and compliance matters;
 9. review and approve Blackline's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of the Corporation; and
 10. review and assess annually the company's Delegation of Authority to consider whether it aligns with the company's operational needs.

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Corporation. The Committee will also have the authority to investigate any financial activity of Blackline. All employees of Blackline are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee, acting reasonably, and at the expense of Blackline without any further approval of the Board.

Meetings and Administrative Matters

1. At all meetings of the Committee every resolution 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 and in such cases, the undecided matter should be referred to the Board as a whole.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board. For greater certainty, a

meeting of the Committee may be called by the Chair of the Committee, without the concurrence of any other person.

4. Meetings of the Committee should be scheduled to take place at least four times per year and at such other times as the Chair of the Committee may determine. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer of Blackline will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair of the meeting.
5. The Committee will meet with the external auditor at least quarterly (in connection with the preparation of the quarterly and year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
6. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
7. The Committee may invite such officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee. At each meeting, the Committee will meet, including with the external auditors, in-camera without Management present.
8. 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.
9. Any members of the Committee may be removed or replaced at any time by the Board and will 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 exists on the Committee, the remaining members may exercise all of the Committee's powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.
10. Any issues arising from Committee meetings that bear on the relationship between the Board and Management should be communicated to the Chair of the Board or, if applicable, to the Lead Director of the Board by the Chair.
11. In discharging its duties under this Mandate, the Committee may investigate any matter brought to its attention and will have access to all books, records, facilities and personnel, may conduct meetings or interview any officer or employee, the Corporation's legal counsel, external auditors and consultants and may invite any such persons to attend any part of any meeting of the Committee.
12. The Committee will also review its own performance, at least annually, for purposes of self-evaluation and to encourage the continuing improvement of the Committee in the execution of its responsibilities.

January 15, 2025