



# **AUDIT COMMITTEE CHARTER**

**Effective as of June 15, 2026**

# KRAKEN ROBOTICS INC.

## AUDIT COMMITTEE CHARTER

### 1. PURPOSE

This Audit Committee charter (the “**Charter**”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Kraken Robotics Inc. (the “**Company**”). As delegated by the Board, the Committee shall attend to the responsibilities set out in this Charter.

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) financial reporting and disclosure requirements;
- (b) ensuring that an effective risk management and financial control framework has been implemented by management of the Company; and
- (c) external and internal audit processes.

### 2. COMPOSITION AND MEMBERSHIP

- (a) The members (collectively, the “**Members**”, and individually, a “**Member**”) of the Committee shall be appointed by the Board promptly following the completion of each meeting of shareholders at which members of the Board are elected. The Members shall be appointed to serve one-year terms or such other terms as the Board may determine and shall serve until a successor is duly appointed by the Board or until the Member’s earlier death, resignation, disqualification or removal, provided that if the composition of the Committee is not so determined, each director who was then serving as a member of the Committee shall continue as a member of the Committee until their successor is appointed. The Board may remove a Member at any time with or without cause and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director of the Company. If a vacancy on the Committee exists, the remaining Members shall exercise all of the Committee’s powers so long as a quorum exists.
- (b) The Committee will consist of at least three Members, who must be directors of the Company. Each Member shall be independent within the meaning of the provisions of National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time.
- (c) The Board shall appoint a chair of the Committee (the “**Chair**”) from the Members. If a Chair is not appointed by the Board, the Members shall designate a Chair by majority vote of the full Committee membership, provided that if the designation of the Chair is not made, then the director who was then serving as Chair shall continue as Chair until their successor is appointed. The Chair must have such accounting or related financial management expertise as the Board or Committee may determine in their business judgment is necessary. The Chair must be financially literate to the extent required by (and subject to the exemptions and other provisions set out in) the Company’s governing corporate statute, applicable Canadian securities laws, any exchange upon which securities of the Company are listed, or any government or regulatory body exercising authority over the Company, as are in effect from time to time by relevant authorities (collectively, the “**Applicable Requirements**”). In this Charter, the terms “**independent**” and “**financially literate**” have the meanings ascribed to such terms in the Applicable Requirements and include the

meanings given to similar terms in the Applicable Requirements to the extent such similar terms are used in this Charter and are applicable under the Applicable Requirements.

- (d) At the time of their appointment to the Committee, each Member shall have, or shall acquire within a reasonable time following appointment to the Committee (which shall not exceed a period determined by the Board in accordance with Applicable Requirements), the ability 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 the issues that can reasonably be expected to be raised by the Company's financial statements.
- (e) Further, at least one Member shall have experience as a certified public accountant, chief financial officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer.

### **3. MEETINGS**

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine and as often as the Committee considers appropriate to fulfill its responsibilities, but in any event not less than four (4) times per year. Any Member may call a meeting of the Committee at any time upon not less than forty-eight (48) hours advance notice being given to each Member orally, by telephone, by facsimile or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- (b) The Company's external auditors, the Chair of the Board, the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the Members.
- (c) The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, then the Members present may select one of their number to act as chair of the meeting.
- (d) No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority of Members present at the meeting at which the vote is taken. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- (e) The Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons as the Committee considers necessary or desirable in order to carry out its responsibilities, except to the extent the exclusion of certain persons is required pursuant to this Charter or by the Applicable Requirements.
- (f) In advance of every regular meeting of the Committee, the Chair will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.
- (g) At every Committee meeting, the Committee shall hold an *in camera* session, at which management and non-independent directors of the Board are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

- (h) The Committee shall also meet separately, at every Committee meeting, with the Company's auditors (if present) and management (if present), as the Committee deems appropriate, to discuss any matters that the Committee or such individuals consider appropriate.

## 4. DUTIES AND RESPONSIBILITIES

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the functions and responsibilities required of an audit committee by the Applicable Requirements or as the Board otherwise deems necessary or appropriate.

### 4.1 Financial Reporting and Disclosure

To fulfill its responsibilities with respect to financial reporting and disclosure matters, the Committee shall:

- (a) review the audited annual financial statements of the Company, including the auditors' report thereon, the management's discussion and analysis ("MD&A") of the Company prepared in connection with the annual financial statements, financial reports of the Company, and any initial public release of financial information of the Company through press release or otherwise, and after completing its review, if advisable, the Committee shall approve and recommend the foregoing for Board approval, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- (b) review the interim financial statements of the Company, the auditors' review report thereon, if any, and the related MD&A. After completing its review, if advisable, the Committee shall approve and recommend the interim financial statements and the related MD&A for Board approval, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- (c) review financial information contained in any prospectuses or other securities offering document of the Company, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature, as well as press releases disclosing, or based on, financial results of the Company and any other publicly disseminated material financial disclosure, including, in accordance with the Company's Disclosure Policy, material financial outlook (e.g., earnings guidance) and forward-oriented financial information (e.g., forecasted financial statements) provided to ratings agencies or otherwise publicly disseminated, and material non-GAAP financial measures, non-GAAP ratios, total segments measures, capital management measures, and supplementary financial measures (each as defined in National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure*);
- (d) review with management and with the external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS;
- (e) with respect to its review of the annual financial statements or the interim financial statements:
  - (i) meet with management and the auditors to discuss the financial statements and the MD&A;
  - (ii) review the disclosures in the financial statements;
  - (iii) review the audit report or review report, if any, prepared by the external auditors;

- (iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the Company's financial statements;
  - (v) regularly review the Company's critical accounting policies followed and critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
  - (vi) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
  - (vii) review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
  - (viii) review significant recorded and unrecorded audit adjustments;
  - (ix) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under applicable generally accepted accounting principles ("**GAAP**");
  - (x) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
  - (xi) inquire at least annually of both the Company's management and the Company's auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;
  - (xii) review with the auditors alternative accounting treatments that have been discussed with management;
  - (xiii) review with management any significant changes in GAAP, as well as emerging accounting and auditing issues, and their potential effects;
  - (xiv) review with management matters that may have a material effect on the financial statements;
  - (xv) review management's report on the effectiveness of internal controls over financial reporting;
  - (xvi) review the factors identified by management as factors that may affect future financial results;
  - (xvii) review results of the Committee's whistleblower program; and
  - (xviii) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements;
- (f) ensure that satisfactory 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 assessing those procedures, including establishing and annually reviewing the

Company's Disclosure Policy and recommending any proposed changes to the Board for consideration.

## 4.2 Internal Controls and Audit

To fulfill its responsibilities with respect to internal controls and audit matters, the Committee shall:

- (a) require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures to ensure compliance with the Applicable Requirements. At least annually, the Committee shall periodically consider and review with management and the auditors:
  - (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
  - (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
  - (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
  - (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
  - (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls;
- (b) ensure, through discussions with management and the external auditor of the Company, that the Company maintains the necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions. From time to time the Committee will assess whether a formal internal audit function (whether in-house or outsourced) is necessary or desirable having regard to the size and stage of development of the Company at any particular time, with any such internal audit department reporting directly to the Committee; and
- (c) review and assess annually, and in the Committee's discretion make recommendations to the Board regarding, the investment policy, if any, of the Company.

## 4.3 External Audit

To fulfill its responsibilities with respect to external audit matters, the Committee shall:

- (a) be directly responsible for the oversight of the work of the auditors appointed by the shareholders of the Company with respect to preparing and issuing an audit report or performing other audit, review or attest services or any other related work for the Company;

- (b)** review the reasons for any proposed change in the auditors and all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board;
- (c)** review and, if advisable, recommend for Board approval the Company's external auditors to be engaged by the Company;
- (d)** review and approve the compensation of the external auditors, and the scope and timing of the audit and other related services rendered by the external auditors;
- (e)** review and approve all audit engagement terms, including the audit plan of the external auditors prior to the commencement of the audit, and, at least annually, review a summary of the auditors' annual audit plan, and consider and review with the auditors any material changes to the scope of the plan;
- (f)** assess the effectiveness of the working relationship of the Company's external auditors with management and resolve any issues between management of the Company and the external auditors as to the financial reporting matters brought to its attention;
- (g)** review all reportable events, including disagreements, unresolved issues and consultations with the Company's auditors, whether or not there is to be a change of auditors, and receive and review the results of the external audit and all reports prepared by the auditors, including, without limitation:

  - (i)** a discussion with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with management of the Company and the ramifications of their use, as well as any other material changes;
  - (ii)** a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences; and
  - (iii)** a report prepared by the auditors in respect of each of the interim financial statements of the Company;
- (h)** ensure the external auditors report directly to the Committee on a regular basis, and, at least annually, discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Committee;
- (i)** discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- (j)** at least annually, and before the auditors issue their report on the annual financial statements, review and evaluate the qualifications, performance and independence of the auditors, including the lead partner(s) of the auditors and the senior members of the independent auditor team. In making its evaluation, the Committee shall:

  - (i)** obtain from the auditors a formal written report respecting their independence, describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of

Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements; and

- (ii) take into account the opinions of management and the Company's internal auditors; and
- (k) the Committee shall present to the Board on its conclusions and any actions taken. The Committee shall also periodically consider whether it is appropriate to adopt a policy of rotating, on a regular basis, the auditors, the lead audit partner or the reviewing audit partner, as applicable; review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and
- (l) review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Compensation Committee, as appropriate.

## **4.4 Risk Management**

The Committee shall be responsible for overseeing management's identification and assessment of the principal risks to the operations of the Company and the establishment and management of appropriate steps to monitor and control such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Company and to the long-term viability of the Company, including the use of any financial derivatives and hedging activities.

In this regard, the Committee shall require management to report on a quarterly basis to the Committee, and the Committee shall review such reports provided by management, on the risks inherent in the business of the Company (including appropriate crisis preparedness, business continuity, information system controls, cybersecurity, information security, and disaster recovery plans), the appropriate degree of risk mitigation and risk control, overall compliance with and the effectiveness of the Company's risk management policies, and residual risks remaining after implementation of risk controls.

The Committee shall report to the Board on a quarterly basis, with respect to the principal risks faced by the Company and the steps implemented by management to manage these risks, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of the Company's risk management policies and procedures with regard to the identification of the Company's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company.

## **4.5 ESG Matters**

The Committee shall oversee the establishment and maintenance by management of a system of processes and controls to ensure the integrity, accuracy and reliability of any material sustainability disclosures included in any (a) sustainability or similar climate report or (b) other disclosure material of the Company to be (i) sent to its securityholders or (ii) in accordance with the Applicable Requirements, filed with a regulatory authority or made public.

## **4.6 Compliance with Regulatory Requirements**

The Committee shall review reports from the Company's Corporate Secretary and other management members on: (a) legal or compliance matters that may have a material impact on the Company; (b) the effectiveness of the Company's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

## **4.7 Whistleblower Procedures**

The Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Chair to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the Company's General Counsel to reach a satisfactory conclusion.

## **4.8 Audit Committee Disclosure**

The Committee shall review and approve any audit committee disclosure of the Company before it is sent to securityholders of the Company or publicly disclosed in accordance with the Applicable Requirements.

## **4.9 Delegation**

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Committee deems appropriate.

## **4.10 Non-Audit Services**

The Committee shall pre-approve any and all audit services and permissible non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities that it deems advisable in accordance with the Applicable Requirements and Board approved policies and procedures, and adopt and implement policies for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the auditor. The Committee may delegate pre-approval authority to a Member, but pre-approval so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

## **4.11 Oversight Function**

The Committee is responsible for the responsibilities and powers set forth in this Charter and for overseeing the Company's financial statements and financial disclosures, and is not accountable or responsible for the day-to-day operation or performance of such activities and nor is it the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete or accurate or in accordance with accounting principles and the Applicable Requirements. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The Company's external auditors are responsible for auditing the Company's annual financial statements and for reviewing the Company's unaudited interim financial statements.

## **5. CONFLICTS OF INTEREST**

The Committee shall review the Company's policies relating to the avoidance of conflicts of interest and review and approve all payments to be made pursuant to any related party transactions involving executive officers and members of the Board of the Company or any significant shareholders of the Company, as may be necessary or desirable under the Applicable Requirements. The Committee shall consider the results of any review of these policies and procedures by the Company's external auditors.

## **6. REPORTING**

The Committee shall provide the Board with a verbal or written summary of all actions taken at each Committee meeting or by written resolution. The Committee shall produce and provide the Board with all reports or other information required to be prepared under the Applicable Requirements.

The Chair shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held.

## **7. ACCESS TO INFORMATION AND AUTHORITY**

The Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to all information regarding the Company, the Company's management and employees and the books and records of the Company, and all directors, officers and employees will be directed to cooperate as requested by Members.

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain, and terminate, at the Company's expense, accounting, legal, consulting, financial and other advisors, consultants and experts, from a source independent of management, to assist the Committee in fulfilling its duties and responsibilities, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate, from a source independent of management, any such consultant or advisor to be used to assist in the evaluation of such matters and shall have the sole authority to approve the consultant or advisor's fees and other retention terms.

The Committee also has the authority to communicate directly with external and, if applicable, internal auditors of the Company.

## **8. NO RIGHTS CREATED**

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

## **9. REVIEW OF MANDATE**

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.