

**LUFF ENTERPRISES LTD.
NON-AUDIT SERVICES PRE-APPROVAL POLICY**

1. PURPOSE

The purpose of this policy (the "**Policy**") is to provide, pursuant to the requirements of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and Section 4.5(a) of the Audit Committee Charter of Luff Enterprises Ltd. (the "**Company**"), for policies and procedures relating to the pre-approval of non-audit services performed by the independent auditors of the Company.

2. PRE-APPROVAL REQUIREMENT

Subject to the provisions of this Policy, all permissible non-audit services to be provided to the Company by the independent auditors must be pre-approved by the Audit Committee of the board of directors of the Company (the "**Audit Committee**").

3. DELEGATION

The Audit Committee shall delegate pre-approval authority to one or more of its members (the "**Delegate**") as permitted by this Policy. The Audit Committee may not delegate its pre-approval responsibilities to management.

If there is uncertainty as to whether a specific non-audit service has been pre-approved, such non-audit service shall not be commenced by the independent auditors without specific approval by the Audit Committee.

4. PROHIBITED NON-AUDIT SERVICES

The Company's independent auditors may not provide any of the non-audit services specified in Appendix "A". Applicable rules and guidance should be consulted to determine the specific nature of these prohibited non-audit services and any applicable exceptions.

5. PRE-APPROVAL PROCEDURES

All requests for permissible non-audit services to be provided by the independent auditors will be submitted by the Delegate for presentation to the Audit Committee and must include a detailed description of the non-audit services to be rendered. The Delegate shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting.

6. ENGAGEMENT-SPECIFIC NON-AUDIT SERVICES

- (a) Non-audit services which are within the specific service descriptions and budgets pre-approved by the Audit Committee in connection with an existing auditor engagement may be undertaken without further authorization by the Audit Committee.
- (b) Detailed descriptions of the specific non-audit services and budgets pre-approved by the Audit Committee will be required (as part of the auditor engagement) prior to the commencement of any non-audit service provided. The Audit Committee will periodically review and oversee updates to the description of pre-approved non-audit services and budgets based on subsequent determinations.

- (c) The Audit Committee's pre-approval is effective only for non-audit services to be provided in the fiscal year in which the non-audit services were pre-approved by the Audit Committee in connection with an existing auditor engagement, unless the Audit Committee or the engagement specifically provides for a different period.

7. PRE-APPROVAL FOR OTHER NON-AUDIT SERVICES

All non-audit services to be provided by the Company's independent auditors that are not engagement-specific pursuant to Section 6 above must receive pre-approval from the Audit Committee or the Delegate as set forth below.

Audit Committee Pre-Approval

The Audit Committee shall pre-approve non-audit services for:

- any engagement of the independent auditors for a non-audit service with proposed fees that will equal or exceed \$75,000; and
- all other internal control-related services (other than those performed as part of the annual audit).

Delegate Pre-Approval

Any other engagement of the independent auditors for a non-audit service that does not fall within the provisions above requiring Audit Committee pre-approval may be pre-approved by the Delegate. In addition, each of the Audit Committee members has the authority to pre-approve any non-audit services if the need for consideration of a pre-approval request arises between regularly scheduled meetings. Any non-audit services approved by the Delegate or members of the Audit Committee will be communicated to the Audit Committee at its next regularly scheduled meeting.

8. TAX AND INTERNAL CONTROL SERVICES

For requested pre-approval of permissible tax services and permissible internal control-related non-audit services, in addition to complying with the foregoing, the independent auditors shall submit written documentation to the Delegate for presentation to the Audit Committee describing the nature and scope of the service, and with respect to any tax service: (a) the fee structure for the tax service; (b) any side letter or other amendment to the engagement letter and any other agreement relating to the tax service; and (c) any compensation arrangement or other agreement between the independent auditors and any third party with respect to the promoting, marketing or recommending of a transaction covered by the tax service.

In addition, the potential effects of the tax or internal control related non-audit service on the auditors' independence shall be discussed with the auditors. In the case of pre-approval decisions relating to tax services to be made by one or more members of the Audit Committee by the Delegate, this discussion may take place in connection with the pre-approval of the tax service, but in any event, shall take place no later than at the next scheduled meeting of the Audit Committee following the pre-approval decision.

9. REPORTING

At each regularly scheduled Audit Committee meeting, the Delegate will provide a report to the Audit Committee regarding all non-audit services provided to the Company by the independent auditors (other than those non-audit services which are pre-approved by the Audit Committee pursuant to Section 7). Such report shall include a reconciliation of the actual fees of the independent auditors compared to the budget for such non-audit services as approved by the Delegate.

10. REVIEW OF POLICY

The Audit Committee may periodically review and assess the adequacy of this Policy and make changes to it as needed.

Dated: May 15, 2020
Approved by: Audit Committee

Appendix "A"

PROHIBITED NON-AUDIT SERVICES

1. Bookkeeping or other services related to the Company's accounting records or financial statements.
2. Financial information systems design and implementation.
3. Appraisal or valuation services, fairness opinions, or contribution-in-kind reports.
4. Actuarial services.
5. Internal audit outsourcing services.
6. Management functions.
7. Human resources.
8. Broker or dealer, investment adviser, or investment banking services.
9. Legal services.
10. Expert services unrelated to the audit.