



AUDIT COMMITTEE CHARTER

(As of December 10, 2019)

1 Purpose

- 1.1 The Audit Committee (the **Committee**) is appointed by the Board of Directors (the **Board** and each member thereof a **Director**) of Life360 Innovations Holdings Inc. (the **Company**) to assist the Board in fulfilling its financial management oversight responsibilities for the benefit of the shareholders.
- 1.2 This Audit Committee Charter (the **Charter**) describes the Committee's primary duties and responsibilities to:
 - 1.2.1 Review the effectiveness of the overall process of identifying and addressing material, financial-related business risk and the adequacy of the related disclosure;
 - 1.2.2 Monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting & legal compliance;
 - 1.2.3 Identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
 - 1.2.4 Monitor the independence and performance of the Company's external auditor;
 - 1.2.5 Encourage adherence to, and continuous improvement of, the Company's policies, procedures and practices related to financial matters at all levels; and
 - 1.2.6 Provide an avenue of communication among the external auditor, management and the Board.

2 Organization

- 2.1 The Committee shall consist of three (3) or more Directors appointed by the Board, all of whom shall be "independent" within the meaning of National Instrument 52-110 ("NI 52-110") promulgated by the Canadian Securities Administrators and shall be free from any relationship that would interfere with the exercise of the Director's independent judgment, provided that, the exemption in Section 3.9 of 52-110 is available for a period of up to one (1) year commencing on



the date of the receipt of the prospectus qualifying a distribution of securities that is the initial public offering of the Company.

- 2.2 All members of the Committee shall be “financially literate” within the meaning of NI 52-110 and at least one member of the Committee shall have accounting or related financial management expertise.
- 2.3 Members of the Committee shall serve at the pleasure of the Board for such term or terms as the Board may determine.
- 2.4 The Board shall designate one (1) member of the committee as the Committee Chair.

3 Structure and Operations

- 3.1 Except as expressly provided in this Charter or the Articles of the Company, the Committee shall fix its own rules of procedure.
- 3.2 A majority of the members of the Committee shall constitute a quorum.
- 3.3 The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.
- 3.4 The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee should meet privately in executive session at least annually with management, the external auditor, and as a Committee to discuss any matter that the Committee or each of these groups believes should be discussed. In addition, the Committee should communicate with management quarterly as part of their review of the Company’s interim financial statements and management’s discussion and analysis.
- 3.5 The Committee Chair will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.
- 3.6 If the Committee Chair is not present or designated at a meeting, the members of the Committee may designate a chair for the meeting by majority vote of the Committee membership.



- 3.7 The Committee Chair shall prepare and/or approve an agenda in advance of each meeting and ensure that the agenda is circulated to each member of the Committee in advance of such meeting.
- 3.8 The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer (**CEO**) or the CFO may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee.
- 3.9 Members of the Committee may participate in a meeting of the Committee by conference telephone or similar communications equipment by means of which all people participating in the meeting can hear each other and participation in such meeting will constitute presence in person at such a meeting.
- 3.10 Any action required or permitted to be taken at any meeting of the committee may be taken without a meeting if all of its members consent in writing to the action and such writing is filed with the records of proceedings of the Committee.
- 3.11 Directors not on the Committee may attend Committee meetings at their discretion. At the invitation of the Committee Chair, members of management and outside consultants may attend Committee meetings.

4 Authority and Responsibilities

- 4.1 The Committee has the authority to:
 - 4.1.1 Conduct or authorize investigation into any matter within the scope of its responsibilities;
 - 4.1.2 Engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Committee;
 - 4.1.3 At any time and without restriction, communicate directly with the Chief Financial Officer (**CFO**), other members of management who have responsibility for the audit process and external auditors;



- 4.1.4 At any time and without restriction, access the Company's management and employees and the books and records of the Company; and
 - 4.1.5 Exercise such other powers as may be delegated to it from time-to-time by the Board.
- 4.2 To fulfill its responsibilities, the Committee shall:
- 4.2.1 Review with the external auditors, in advance of the audit, the audit process and standards; regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof; and the selection or application of appropriate accounting principles;
 - 4.2.2 Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements; the appropriateness and disclosure of any off-balance sheet matters; and the disclosure of related-party transactions;
 - 4.2.3 Meet at least annually with the external auditors separately from management to review the integrity of the Company's financial reporting processes, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates; performance of internal audit management; any significant disagreements or difficulties in obtaining information; adequacy of internal controls over financial reporting; and the degree of compliance of the Company with prior recommendations of the external auditors. The Committee shall review with management any matters raised by the external auditors and direct management to implement such changes as the Committee considers appropriate, subject to any required approvals of the Board arising out of the review;
 - 4.2.4 Discuss with management significant financial or other risk exposures and the steps management has taken to monitor, control and report such exposures;
 - 4.2.5 Review the Company's annual audited financial statements and management discussion and analysis (**MD&A**) prior to



- public disclosure and make recommendations to the Board respecting approval of the audited financial statements;
- 4.2.6 Review with management the Company's interim financial results and MD&A prior to public disclosure and any significant changes to the Company's accounting principles and any items required to be communicated by the external auditors. If the statements are to be reviewed by the auditors, the Committee shall consult with the auditors as required during the process. The Committee shall make recommendations to the Board respecting approval of the interim financial statements or, if authorized to do so by the Board, approve the interim statements and MD&A; and
 - 4.2.7 Periodically assess the adequacy of the disclosure policy and procedures in place including procedures for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure of the statements themselves, and all future oriented financial information (**FOFI**), and satisfy itself that those procedures are satisfactory. If the procedures are not considered satisfactory, the Committee should work with management to revise the procedures appropriately.
- 4.3 The Committee shall complete the following review procedures with the External Auditor:
- 4.3.1 The external auditors shall report and are accountable directly to the Committee. The Committee shall at least annually review the independence and performance of the external auditors. It shall recommend to the Board of Directors the external auditors to be approved at a shareholders' meeting and recommend to the Board any discharge of auditors when circumstances warrant. If the auditors are not to be reappointed, the Committee shall select and recommend a suitable alternative;
 - 4.3.2 The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of



- disagreements between management and the external auditor regarding financial reporting;
- 4.3.3 The Committee is responsible for approving the fees and other significant compensation to be paid to the external auditors, and pre-approving, subject to ratification by the Board, any non-audit services that the auditor may provide. The Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Committee for approval at its next meeting;
 - 4.3.4 On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditor's independence.
 - 4.3.5 The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
 - 4.3.6 The Committee shall obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations;
 - 4.3.7 On at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies;
 - 4.3.8 When required by securities law, annually prepare a report to shareholders to be included in the Company's annual information circular. The Chairman of the Committee, or other member appointed by the Chair, will review all disclosure documents to be issued by the Company relating to financial matters, including news releases, annual information forms and information circulars;
 - 4.3.9 Annually evaluate the Committee's performance and report its findings to the Board;



- 4.3.10 Maintain minutes of meetings and periodically report to the Board on significant results of the Committee's activities; and
- 4.3.11 Perform any other activities consistent with this Charter, the Company's documents, and governing law, as the Committee or the Board deems necessary or appropriate.

4.4 Complaints Procedure

- 4.4.1 Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Committee for a period of three years.

5 Charter Review

- 5.1 The Committee shall review and update this Charter annually and present it to the Board for approval.

Amended and approved by the Board on December 10, 2018