

## **GALAXY DIGITAL HOLDINGS LTD.**

### **AUDIT COMMITTEE CHARTER**

As of July 30, 2018

#### **1. Purpose**

The Audit Committee (the “**Committee**”) of Galaxy Digital Holdings Ltd. (the “**Company**”) is a committee of the Board of Directors (the “**Board**”). As delegated by the Board, the Committee shall attend to the responsibilities and duties set out in this Charter.

#### **2. Membership**

##### *Number of Members*

The Committee shall be composed of three or more members of the Board.

##### *Independence of Members*

Each member of the Committee must be independent. “**Independent**” shall have the meaning, as the context requires, given to it in National Instrument 52-110 – *Audit Committees*, as may be amended from time to time.

##### *Chair*

The members of the Committee shall designate a Chair by majority vote of the full Committee membership. The Chair must be a member of the Committee.

##### *Financial Literacy of Members*

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, 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.

##### *Term of Members*

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

#### **3. Meetings**

##### *Number of Meetings*

The Committee may meet as many times per year as necessary to carry out its responsibilities.

### ***Quorum***

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

### ***Calling of Meetings***

The Chair, any member of the Committee, the external auditor, the Chair of the Board, or 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 of the Committee.

### ***Minutes; Reporting to the Board***

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

The Committee shall also propose agenda items and content for submission to the Board related to matters for which the Committee is responsible and provide periodic updates on recent developments concerning such matters to the Board.

### ***Attendance of Non-Members***

The external auditor is entitled to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate. The Chair of the Board may attend any Committee meeting. Meetings of the Committee may be held in person or by telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other.

### ***Meetings without Management***

As part of each meeting of the Committee, the Committee shall hold a meeting with the external auditor of the Company and 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.

### ***Access to Management and Books and Records***

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

## **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 any exchange upon

which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the “**Applicable Requirements**”) or as the Board otherwise deems necessary or appropriate.

### ***Financial Reports***

#### **(a) General**

The Committee is responsible for overseeing the Company’s financial statements and financial disclosures. 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 external auditor is responsible for auditing the Company’s annual consolidated financial statements and for reviewing the Company’s unaudited interim financial statements.

#### **(b) Review of Annual Financial Reports**

The Committee shall review the annual consolidated audited financial statements of the Company, the auditors’ report thereon and the related management’s discussion and analysis of the Company’s financial condition and financial performance (“**MD&A**”). After completing its review, if advisable, the Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

#### **(c) Review of Interim Financial Reports**

The Committee shall review the interim consolidated financial statements of the Company, the auditors’ review report thereon and the related MD&A. After completing its review, if advisable, the Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

#### **(d) Review Considerations**

In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the 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 financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) 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 accounting principles;

- (vii) 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;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results;
- (x) review results of the Company's audit committee whistleblower hotline program; and
- (xi) 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.

**(e) Approval of Other Financial Disclosures**

The Committee is responsible for reviewing financial disclosure in a prospectus or other securities offering document of the Company, as well as press releases disclosing, or based upon, financial results of the Company and any other publicly disseminated material financial disclosure, including disclosure of material non-GAAP financial measures.

**(f) Review of Forward-Looking Financial Information**

The Committee shall review and, if advisable, recommend for Board approval any material financial outlook (e.g., earnings guidance) or forward-oriented financial information ("**FOFI**") (e.g., forecasted financial statements). Unless exempted by the Applicable Requirements, the Committee shall endeavour to ensure that such materials (including electronic materials) are disclosed only if (a) the financial outlook or FOFI is based on assumptions that are reasonable in the circumstances, including that it is (i) limited to a period for which the information in the financial outlook or FOFI can be reasonably estimated and (ii) uses the accounting policies the Company expects to use to prepare its historical financial statements for the period covered by the financial outlook or FOFI, and (b) the Company includes disclosure that (i) states the date management approved the financial outlook or FOFI, if the document containing the financial outlook or FOFI is undated (ii) explains the purpose of the financial outlook or FOFI and (iii) cautions readers that the information may not be appropriate for other purposes.

***Auditors***

**(a) General**

The Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) **Nomination and Compensation**

The Committee shall review and, if advisable, select and recommend for Board approval the external auditor to be nominated and the compensation of such external auditor. The Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditor's audit plan.

(c) **Resolution of Disagreements**

The Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) **Discussions with Auditors**

The Committee shall periodically discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) **Audit Plan**

At least annually, the Committee shall review a summary of the auditors' annual audit plan. The Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) **Quarterly Review Report**

The Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

(g) **Independence of Auditors**

Before the auditor issues its report on the annual financial statements, the Committee shall obtain from the auditors a formal written statement 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. The Committee shall take appropriate action to oversee the independence of the auditors.

(h) **Evaluation of Lead Partner**

The Committee shall periodically review the qualifications and performance of the lead partner(s) of the auditor.

(i) **Requirement for Pre-Approval of Non-Audit Services**

The Committee shall approve in advance any retainer of the auditors to provide any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Committee may delegate pre-approval authority to any member of the Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

(j) **Approval of Hiring Policies**

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 auditors of the Company.

(k) **Financial Executives**

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

***Internal Controls***

(l) **General**

The Committee shall review the Company's system of internal controls.

(m) **Establishment, Review and Approval**

The Committee shall 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. 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.

### ***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 systems to manage 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. In this regard, the Committee shall require management to report periodically to the Committee, and the Committee shall report periodically to the Board, on the principal risks faced by the Company and the steps implemented by management to manage these risks.

### ***Compliance with Legal and Regulatory Requirements***

The Committee shall receive 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.

### ***Audit Committee Whistleblower Procedures***

The Committee shall establish a policy and procedure 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 of the Committee 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.

The Committee shall review the Company's whistleblower policy on a periodic basis to determine whether the procedures established under the policy operate effectively in respect of the receipt, retention and treatment of reports and in providing a confidential and anonymous procedure as may be required by applicable laws.

### ***Audit Committee Disclosure***

The Committee shall prepare, review and recommend to the Board for approval any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

## **5. Outside Advisors**

The Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

## **6. 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 Committee, functions. While it should be interpreted in the context of all

applicable laws, regulations and listing requirements, as well as in the context of the Company's constating documents, it is not intended to establish any legally binding obligations.

**7. Delegation**

The Committee may, to the extent permissible by applicable law, designate a sub-committee to review any matter within this Charter as the Committee deems appropriate.

**8. Charter Review & Committee Self-Evaluation**

The Committee shall review and update this Charter from time to time to ensure compliance with the Applicable Requirements and recommend it to the Board for approval of any applicable modifications. The Committee shall also periodically conduct a self-evaluation to evaluate its effectiveness.

Adopted: July 23, 2018