

ENTERPRISE RISK MANAGEMENT COMMITTEE CHARTER



ORGANIZATION

The Enterprise Risk Management Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of DIRTT Environmental Solutions Ltd. (the “**Company**”), will consist of at least three members of the Board, all of whom are independent under applicable securities laws and exchange rules.¹ At least one member of the Committee shall also be a member of the Audit Committee of the Board.

Members of the Committee (including the chair of the Committee) are appointed by the Board based on recommendations from the Corporate Governance and Compensation Committee of the Board, and may be removed by the Board in its discretion.

STATEMENT OF PURPOSE

The Committee provides assistance to the Board in fulfilling its responsibility to oversee the Company’s risk management activities, to monitor key corporate risk factors, and to satisfy itself that the risk management policies and procedures designed and implemented by the Company are consistent with the Company’s strategy and risk capacity; that these policies and procedures are functioning as directed; and that necessary steps are taken to foster an enterprise-wide culture that supports appropriate risk awareness, behavior and judgments about risk, and that recognizes and appropriately addresses risk-taking that exceeds the Company’s determined risk capacity.

The Audit Committee of the Board is responsible for reviewing and discussing with management and the independent auditors, the major financial risk exposures. The Committee shall not have responsibility for matters subject to the jurisdiction of another committee of the Board pursuant to that committee’s charter, applicable law, delegation, or otherwise. However, to fulfill its responsibility to determine which risks should be included on the Board’s agenda, it is expected that all significant risks be communicated to the Committee, through either direct communication or reporting from other Board committees.

RESPONSIBILITIES

The Committee policies and procedures should remain flexible, to allow it to react to changing conditions and to ensure to the Board that the Company’s approach to risk management is an integral component of strategy, culture and business operations and are of the highest quality. The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee.

The Committee responsibilities will include, but not be limited to the following:

¹ “applicable securities laws and exchange rules” refers to: (a) the Securities Act (Alberta) and the equivalent thereof in each province and territory of Canada in which the Company is a “reporting issuer” or equivalent thereof, together with the regulations, rules and blanket orders of the securities commission or similar regulatory authority in each of those jurisdictions; (b) the United States Securities Act of 1933, the United States Securities Exchange Act of 1934 (the “U.S. Exchange Act”), and any rules or regulations thereunder; and (c) the rules of each of the Toronto Stock Exchange and The Nasdaq Stock Market LLC, to the extent any securities of the Company are listed on those exchanges.

- Review with management the categories of risk the Company faces, including any risk concentrations and risk interrelationships, as well as the likelihood of occurrence, the potential impact of those risks, mitigating measures and action plans to be employed if a given risk materializes.²
- Review with management the Company's risk capacity and risk tolerance, its tools for measuring and monitoring Company-wide risks and assessing risk limits and whether the Company's business strategy is consistent with the agreed-upon risk capacity and tolerance.
- Review with management the primary elements comprising the Company's risk culture, including establishing "a tone from the top" that reflects the Company's core values and the expectation that employees act with integrity and promptly escalate noncompliance in and outside of the organization, and steps to ensure effective communication of the Company's risk management strategy throughout the organization and through appropriate public disclosures.
- Review with other committees of the Board and with management the Board's expectations as to each group's respective responsibilities for risk oversight and management to align on a shared understanding as to roles and accountability, including the quality, format and cadence of management's risk reporting to the Board and/or appropriate committees.
- Review with management the design and independence of the Company's risk management functions, as well as the qualifications and backgrounds of senior officers responsible for risk management activities and the resources available to and policies applicable to risk management personnel, to assess whether they are appropriate given the Company's size and scope of operations, and to assess whether there is prompt and coherent flow of risk-related information within and across business units.
- Review reports on selected risk topics as the Committee deems appropriate from time to time.
- Review the Company's disclosures related to risks the Company is exposed to and the Company's risk management policies (including, but not limited to, disclosures under "Risk Factors"), to be included in the Company's filings with the U.S. Securities and Exchange Commission and similar regulatory authorities in Canada, and make recommendations to the Board in connection therewith.
- Review the Company's policies and procedures for ensuring compliance with regulatory requirements relating to the various risk categories.

The Committee will (i) report its actions and any recommendations to the Board regularly; (ii) participate in an annual self-evaluation of the Committee's performance of its duties under this Charter; (iii) on a periodic basis, review and assess the adequacy of this Charter, including in light of legal or regulatory changes or other guidance, and recommend any proposed changes to the Board and (vi) perform such other functions as the Board may assign the Committee from time to time.

² These risk categories include, without limitation: business strategy; manufacturing and production; market and sales; corporate communication; competition; regulatory; financial; fraud; information technology and cybersecurity; environmental, social and governance ("ESG") and sustainability; human capital management; and health, safety and quality.

MEETINGS AND PROCEDURES

The Committee shall meet periodically as the Committee deems desirable.

A majority of Committee members shall constitute a quorum. A majority of the members of the Committee in attendance at a meeting, where a quorum is present, is empowered to act on behalf of the Committee. In the event the number of Committee members voting in favor of a proposal and the number of Committee members voting against such proposal are equal, the proposal shall be submitted to a vote of the Board.

The Committee may, at its discretion, include in its meetings members of the Company's management or any other persons whose presence the Committee believes to be necessary or appropriate. Non-Committee members are encouraged to attend meetings of the Committee and may participate in any discussion or deliberation, but are not entitled to vote. .

The Committee has the authority to delegate any of its responsibilities to single members of the Committee or sub-committees, as the Committee deems appropriate in its sole discretion.

The Committee may conduct or authorize investigations into any matter brought to its attention, with full access to all books, records, facilities and personnel of the Company and the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties. The fees and expenses of such independent counsel and other advisors will be subject to the approval of the chair of the Committee and paid by the Company.