

This short form prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exception from such delivery requirements is available.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale therein and only by persons permitted to sell such securities. The securities to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold in the United States or to U.S. persons (as defined herein). See "Plan of Distribution".

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Executive Vice President and General Counsel of AirBoss of America Corp. at 16441 Yonge Street, Newmarket, Ontario L3X 2G8 (telephone: (905) 751-1188) and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

September 27, 2021



C\$200 million
Class A Shares (designated as Common Shares)
Class B Shares
Debt Securities
Warrants
Subscription Receipts
Units

We may offer and issue from time to time during the 25-month period that this prospectus, including any amendments hereto, remains valid, our Class A shares, designated as "common shares" (the "**common shares**"), Class B shares, designated as "Class B preference shares" (the "**preferred shares**"), debt securities, warrants, subscription receipts, or units comprised of one or more of the other securities described in this prospectus (collectively, the "**securities**"), with an aggregate initial offering price not to exceed C\$200 million (or its equivalent in any other currency used to denominate the securities at the time of offering).

The securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions and other factors. The specific terms of any securities that we offer, and all shelf information permitted under applicable laws to be omitted from this prospectus, will be provided in one or more prospectus supplements which will be incorporated by reference into this prospectus. You should read this prospectus and any applicable prospectus supplement carefully before you invest.

The specific variable terms of any offering of securities will be set out in the applicable prospectus supplement including, where applicable: (i) in the case of common shares, the number of common shares offered and the offering price (or the manner of determination thereof if offered on a non-fixed price basis, including sales in transactions that are deemed to be "at the market distributions" as defined in National Instrument 44-102 – *Shelf Distributions*); (ii) in the case of the debt securities, the specific designation of the debt securities, whether such debt securities are senior or subordinated, the aggregate principal amount of the debt securities being offered, the currency or currency unit in which the debt securities may be purchased, authorized denominations, any limit on the aggregate principal amount of the debt securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the debt securities, any redemption provisions, any repayment provisions and any other specific terms; (iii) in the case of warrants, the designation, number and terms of the common shares or debt securities or other securities purchasable upon exercise of the warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the warrants are issued and any other specific terms; (iv) in the case of subscription receipts, the number of subscription receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of subscription receipts for common shares or debt securities, as the case may be, the currency or currency unit in which the subscription receipts are issued and any other specific terms; and (v) in the case of units, the designation and terms of the units and of the securities comprising the units, the currency or currency unit in which the units are issued and any other specific terms. A prospectus supplement may include other specific variable terms pertaining to the securities that are not within the alternatives and parameters described in this prospectus.

This prospectus does not qualify for issuance debt securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this prospectus may qualify for issuance debt securities in respect of which the payment of

principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates.

The basis for calculating the dollar value of debt securities distributed under this prospectus will be the aggregate principal amount of debt securities that we issue, except in the case of any debt securities that are issued at an original issue discount, the dollar value of which will be calculated on the basis of the gross proceeds that we receive.

The securities may be sold to or through underwriters or dealers purchasing as principals, and may also be sold to one or more purchasers directly or through agents. The prospectus supplement relating to a particular issue of securities will identify each underwriter, dealer or agent engaged by us in connection with the offering and sale of those securities, and will set forth the terms of the offering of such securities, including, to the extent applicable, the net proceeds to be received, and any compensation payable to underwriters, dealers or agents, by us. Securities may be sold from time to time in one or more transactions at a fixed price or fixed prices, or at non-fixed prices. If offered on a non-fixed price basis, securities may be offered at market prices prevailing at the time of sale or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution. If securities are offered on a non-fixed price basis, the underwriters', dealers' or agents' compensation will be increased or decreased by the amount by which the aggregate price paid for securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to us. See "**Plan of Distribution**".

No underwriter, dealer or agent has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.

Our outstanding common shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "**BOS**" and on the OTCQX® Best Market (the "**OTCQX**") under the symbol "**ABSSF**". Unless otherwise specified in the applicable prospectus supplement, none of the preferred shares, debt securities, warrants, subscription receipts or units will be listed on any securities exchange. **Accordingly, unless so specified, there will be no market through which those securities may be sold and purchasers may not be able to resell those securities purchased under this prospectus. This may affect the pricing of those securities in the secondary market, the transparency and availability of trading prices, the liquidity of those securities, and the extent of issuer regulation.**

Our head office and registered office are located at 16441 Yonge Street, Newmarket, Ontario L3X 2G8.

The sale of common shares may be effected from time to time in one or more transactions at non-fixed prices pursuant to transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 — *Shelf Distributions*, including sales made directly on the TSX or other existing trading markets for our common shares, and as set forth in the prospectus supplement for such purpose. See "**Plan of Distribution**".

In connection with any offering of securities, other than "at-the-market distributions", unless otherwise specified in a prospectus supplement, underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of securities offered at levels other than those which might otherwise prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. A purchaser who acquires securities forming part of the underwriters' or agents' over-allotment position acquires those securities under any such prospectus supplement, regardless of whether the over-allotment position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. No underwriter or dealer involved in an "at-the-market distribution" under this prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of our common shares. See "**Plan of Distribution**".

Each of Alan J. Watson, Anita Antenucci and Stephen Ryan is a director of AirBoss who resides outside of Canada. Each of Alan J. Watson, Anita Antenucci and Stephen Ryan has appointed AirBoss of America Corp., 16441 Yonge Street, Newmarket, Ontario L3X 2G8, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained in or incorporated by reference in this prospectus or any applicable prospectus supplement. References to this “prospectus” include documents incorporated by reference herein. We have not authorized anyone to provide you with information that is different. We are not making an offer of these securities in any jurisdiction where the offer is not permitted by law.

Except as expressly set forth herein, or unless the context otherwise requires, in this prospectus the terms “AirBoss”, “Company”, “we”, “us” and “our” refer to AirBoss of America Corp. and its subsidiaries.

All information permitted under applicable laws to be omitted from this prospectus will be contained in one or more prospectus supplements that will be delivered to purchasers together with this prospectus, except where an exception from such delivery requirements is available. Each prospectus supplement will be incorporated by reference in this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purposes of the distribution of those securities to which the prospectus supplement pertains.

Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and are stated in U.S. dollars.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed by us with the securities commission or similar authority in each of the provinces and territories of Canada are specifically incorporated by reference in, and form an integral part of, this prospectus:

1. our annual information form for the year ended December 31, 2020, dated March 9, 2021 (“AIF”);
2. our audited consolidated financial statements as at and for the years ended December 31, 2020 and 2019, together with the report of the auditors thereon, and management’s discussion and analysis in respect of those statements (“Annual MD&A”);
3. our unaudited consolidated financial report as at June 30, 2021 and for the three and six months ended June 30, 2021 and management’s discussion and analysis in respect of that report;
4. our management information circular dated April 8, 2021 in connection with our annual meeting of shareholders held on May 13, 2021;
5. our press release dated August 18, 2021, announcing the acquisition of Ace Elastomer, Inc. (the “Acquisition”);

6. our press release dated August 18, 2021, confirming our previously disclosed financial outlook for the year ending December 31, 2021 following the announcement of the Acquisition (the “**Outlook**”);
7. our material change report dated August 26, 2021, regarding the Acquisition; and
8. our material change report dated September 17, 2021, regarding the filing of the preliminary short form base shelf prospectus.

Any documents of the types referred to above, material change reports (excluding confidential material change reports) and any business acquisition reports filed by us with the securities regulatory authorities in each of the provinces and territories of Canada after the date of this short form prospectus and prior to 25 months from the date hereof shall be deemed to be incorporated by reference in this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this prospectus except as so modified or superseded.

Upon a new annual information form and the related annual audited comparative financial statements and accompanying management’s discussion and analysis being filed with and, where required, accepted by, the applicable securities regulatory authorities in Canada during the currency of this prospectus, the previous annual information form, the previous annual audited comparative financial statements and accompanying management’s discussion and analysis and all interim financial reports and accompanying management’s discussion and analysis, material change reports, information circulars and business acquisition reports filed prior to the commencement of the then current fiscal year will be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of securities hereunder. Upon an interim financial report and accompanying management’s discussion and analysis being filed by us with and, where required, accepted by, the applicable securities regulatory authorities in Canada during the currency of this prospectus, all interim financial reports and accompanying management’s discussion and analysis filed prior to the new interim financial report shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of securities hereunder.

A prospectus supplement containing the specific terms of an offering of the securities will be delivered to purchasers of such securities together with this prospectus, except where an exemption from such delivery requirements is available, and will be deemed to be incorporated into this prospectus as of the date of such prospectus supplement but only for purposes of the offering of securities covered by that prospectus supplement. Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 of the Canadian Securities Administrators) pertaining to an offering of securities that is filed by us with the securities regulatory authorities in Canada after the date of the prospectus supplement for that offering and before the termination of the distribution of such securities will be deemed to be incorporated by reference in that prospectus supplement.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Executive Vice President and General Counsel of AirBoss of America Corp. at 16441 Yonge Street, Newmarket, Ontario L3X 2G8 (telephone: (905) 751-1188). These documents may also be obtained over the Internet at the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website at www.sedar.com.

FORWARD-LOOKING INFORMATION

This prospectus (including the documents incorporated by reference herein) includes “**forward-looking information**” or “**forward-looking statements**” within the meaning of applicable Canadian securities laws. This forward-looking information includes, but is not limited to, statements with respect to our objectives and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, targets, financial outlook, guidance, expectations, anticipations, estimates or intentions. Wherever possible, the words “will”, “may”, “could”, “expects”, “believes”, “anticipates”, “forecasts”, “plans”, “intends”, “guidance”, “outlook” or similar expressions are used to identify forward-looking statements, although not all forward-looking statements include such words. Forward-looking information in this prospectus includes without limitation: our expected use of proceeds of any offering of securities under this prospectus; the expected impact of the COVID-19 pandemic on our business; implementation of our business strategy; the implementation of our financial strategy, including future returns of capital to our shareholders through dividends and share repurchases; implementation of segment-specific strategic initiatives; the implementation of our sustainability strategy; the expectation that management of Ace Elastomer, Inc. will remain following the completion of the Acquisition; and the expected financial and operational benefits of the Acquisition. In addition, the Outlook is considered forward-looking information.

Statements containing forward-looking information are necessarily based upon a number of opinions, estimates and assumptions that, while considered reasonable by us at the time the statements are made, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information, including, without limitation: no prolonged impact from the

COVID-19 pandemic; no material capital project or financing cost overruns; sufficient human resources to provide continuity; the realization of additional opportunities; no significant variability in interest rates; no significant operational disruptions or environmental liability or upset; the ability to complete acquisitions, realize synergies and successfully integrate acquired businesses, including with respect to the Acquisition; sufficient liquidity and capital resources; the ability to hedge exposures to fluctuations in foreign exchange rates; no breaches by counterparties to our material contracts; no loss of significant customers; availability of raw materials required to operate our business at economical costs; no significant changes in applicable regulatory regimes that could have a negative impact; maintenance of adequate insurance coverage; no significant changes in tax laws; continued maintenance of information technology infrastructure and no material breach of cybersecurity; and favourable labor relations.

AirBoss cautions that such forward-looking information involves known and unknown contingencies, uncertainties and other risks that may cause our actual financial results, performance or achievements to be materially different from its estimated future results, performance or achievements expressed or implied by the forward-looking information. Numerous risk factors could cause actual results to differ materially from those in the forward-looking information, including without limitation: impact of general economic conditions, notably including its impact on demand for rubber solutions and products; dependence on key customers; global defense budgets, notably in our target markets, and success of AirBoss in obtaining new or extended defense contracts; cyclical trends in the tire and automotive, construction, mining and retail industries; sufficient availability of raw materials at economical costs; weather conditions affecting raw materials, production and sales; our ability to maintain existing customers or develop new customers in light of increased competition; our ability to successfully consummate and integrate acquisitions of other businesses and/or companies or to realize on the anticipated benefits thereof, including with respect to the Acquisition; changes in accounting policies and methods, including uncertainties associated with critical accounting assumptions and estimates; changes in the value of the Canadian dollar relative to the US dollar; changes in tax laws and potential litigation; ability to obtain financing on acceptable terms; environmental damage and non-compliance with environmental laws and regulations; impact of global health situations; potential product liability and warranty claims; equipment malfunction; and any other factors described under the heading “**Risk Factors**” in this prospectus, in the “**Risk Factors**” section of our annual information form and in our continuous disclosure documents filed from time to time. This list is not exhaustive of the factors that may affect our forward-looking information.

All of the forward-looking information contained in this prospectus and in the documents incorporated by reference herein is expressly qualified by these cautionary statements. Investors are cautioned not to put undue reliance on forward-looking information. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

Statements containing forward-looking information included in this prospectus and the documents incorporated by reference herein are made only as of the date of such document. We expressly disclaim any obligation to update or alter any statements containing forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

USE OF NON-IFRS FINANCIAL MEASURES

This prospectus, including the documents incorporated by reference herein, contains non-IFRS financial measures including “EBITDA (earnings before interest income, interest expense, income taxes, depreciation, amortization and impairment)”, “adjusted EBITDA”, “adjusted profit attributable to owners of the Company”, “adjusted earnings per share”, “free cash flow” and “net debt”. For a detailed description of each of the non-IFRS measures used in this prospectus, including the documents incorporated by reference herein, and a reconciliation to the most directly comparable measure under IFRS, refer to the “Non-IFRS Financial Measures” section of the Annual MD&A on pages 3 to 4. The non-IFRS financial measures set out in this prospectus, including the documents incorporated by reference herein, are intended to provide additional information to investors and do not have any standardized meaning under IFRS, and therefore may not be comparable to other issuers, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

CURRENCY AND EXCHANGE RATE INFORMATION

This prospectus contains references to U.S. dollars and Canadian dollars. References to “\$” or “C\$” are to Canadian dollars and references to “US\$” are to U.S. dollars. The following table shows, for the years and dates indicated, certain information regarding the Canadian dollar/U.S. dollar exchange rate. The information is based on the closing exchange rate as reported by the Bank of Canada. Such exchange rate on September 24, 2021 was C\$1.2680 = US\$1.00.

	Period End	Average (C\$ per US\$)	Low	High
Year ended December 31,				
2020	1.2732	1.3415	1.2718	1.4496
2019	1.2988	1.3269	1.2988	1.3600
Quarter ended,				
June 30, 2021	1.2394	1.2282	1.2040	1.2617
March 31, 2021	1.2575	1.2660	1.2455	1.2828

AIRBOSS

AirBoss of America Corp. is incorporated under the *Business Corporations Act* (Ontario) and has its registered and head office at 16441 Yonge Street, Newmarket, Ontario L3X 2G8.

AirBoss is a diversified developer, manufacturer and provider of innovative survivability solutions, advanced custom rubber compounds and finished rubber products to a diverse group of customers globally. As of January 1, 2020, AirBoss operates in three business segments: Rubber Solutions, AirBoss Defense Group (“**ADG**”) and Engineered Products.

Our Rubber Solutions segment is engaged in the development and manufacturing of custom rubber compounds, calendered and extruded material and molded products for a broad range of applications and industries including mining, transportation, industrial, military, automotive, conveyor belting, and oil and gas, primarily in North America. With a capacity to process over 500 million turn pounds of rubber annually (inclusive of the compounding operations in Acton Vale, Québec, an AirBoss Defense Group facility), our Rubber Solutions segment is one of North America’s largest custom rubber compounding businesses with locations in Kitchener, Ontario, and Scotland Neck, North Carolina.

ADG is a survivability and healthcare company that provides military, law enforcement, medical and healthcare providers, industrial providers and first responders with a diverse portfolio of protective equipment intended to span the survivability spectrum. ADG has been at the forefront of development, manufacture and sale of chemical, biological, radioactive, nuclear and explosive protective solutions and is a leading provider of personal protective equipment to governments, militaries and frontline healthcare workers both in the U.S. and internationally. Its products include hand, foot, respiratory protective wear (gloves, over-boots, extreme cold weather footwear, gas masks and filters), respiratory systems such as powered air purifying respirators and shelters and infectious disease isolation systems for military, first responder, healthcare and law enforcement applications. ADG is supported by internal research and development for customized product design and development.

Our Engineered Products segment operates out of Auburn Hills, Michigan. This business is a leading manufacturer and supplier of innovative and cost-effective anti-vibration and noise dampening solutions primarily to the North American automotive market. Our Engineered Products business primarily designs, engineers and manufactures rubber, synthetic rubber and rubber-to-metal bonded products that are used to eliminate or control undesired vibration and noise, to enhance interior comfort, increase the durability of a vehicle and improve the overall experience of a vehicle’s passengers. In addition to its traditional sales to the automotive market, our Engineered Products business has also recently put in place a dedicated non-auto team with the goal of diversifying into adjacent sectors by cross-selling to existing customers and extensive outreach to sector leaders. Our Engineered Products business launched its first non-automotive product in 2020.

Recent Developments

On August 31, 2021, AirBoss closed its previously announced Acquisition of Ace Elastomer, Inc., paying the US\$42.5 million purchase price in cash on closing.

On September 23, 2021, AirBoss entered into a third amended and restated credit agreement (the “**Third Amended and Restated Credit Agreement**”) with an expanded syndicate of major banks. The Third Amended and Restated Credit Agreement updates AirBoss’ existing senior secured credit facilities to, among other things: increase the revolving credit availability to US\$250 million (from US\$150 million) with an accordion of US\$75 million (from US\$50 million); eliminate the amortizing term loan; extend the maturity date to September 23, 2026; introduce more flexible financial covenants; and provide AirBoss with greater flexibility related to permitted acquisitions. The increased credit facilities under the Third Amended and Restated Credit Agreement are intended to cover upfront working capital costs necessary to execute on AirBoss’ existing and potential future contracts, as well as provide increased flexibility to execute on AirBoss’ inorganic growth strategies. A copy of the Third Amended and Restated Credit Agreement is available on our SEDAR profile at www.sedar.com.

CONSOLIDATED CAPITALIZATION

There have been no material changes in our share or loan capital, on a consolidated basis, from June 30, 2021 to the date of this prospectus.

USE OF PROCEEDS

Any net proceeds expected to be received from the sale of securities, and each of the principal purposes for which we will use those net proceeds, will be set forth in a prospectus supplement relating to that offering. Unless otherwise specified in the applicable prospectus supplement, we will use the net proceeds that we receive from the sale of securities for any one or more of debt repayment, working capital, acquisitions or other general corporate purposes. We may invest funds which we do not immediately use. Such investments may include short-term marketable investment grade securities denominated in Canadian dollars, U.S. dollars or other currencies. We may, from time to time, issue securities other than pursuant to this prospectus.

DIVIDENDS

Holders of common shares are entitled to receive dividends if, as and when declared by the board of directors, out of funds legally available for such payments. It is the current policy of AirBoss to pay dividends on a quarterly basis, subject to a review of the anticipated cash requirements of AirBoss' operating assets and manufacturing activities, and for any potential acquisitions, combined with the current and projected financial position of AirBoss. Our board of directors reviews the dividend quarterly. We are not required under the policy to pay dividends at any time and our board of directors may reduce, defer, or eliminate our common share dividend in the future.

Between January 1, 2020 and April 15, 2021, AirBoss has declared and paid a dividend of \$0.07 per issued and outstanding common share in each fiscal quarter. For the fiscal year 2020, AirBoss declared and paid an aggregate of \$0.28 in dividends per issued and outstanding common share. On May 12, 2021, AirBoss increased its quarterly dividend to \$0.10 per common share. For the fiscal year 2021, and as at the date hereof, AirBoss has declared and paid an aggregate of \$0.17 in dividends per issued and outstanding common share.

PLAN OF DISTRIBUTION

We may offer and sell the securities, separately or together, to or through one or more underwriters or dealers purchasing as principals, and also may offer and sell securities to one or more purchasers directly or through agents. The distribution of securities may be effected from time to time in one or more transactions at a fixed price or prices or at prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution, including sales in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the TSX or other existing trading markets for the securities.

The price at which securities will be offered and sold may vary from purchaser to purchaser and during the distribution period. If, in connection with the offering of securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the securities at the initial offering price fixed in the applicable prospectus supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such prospectus supplement, in which case the compensation realized by the underwriters, dealers or agents will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriters, dealers or agents to us.

If underwriters or dealers purchase securities as principals, the securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters or dealers to purchase those securities will be subject to certain conditions precedent, and the underwriters or dealers will be obligated to purchase all the securities offered by the prospectus supplement if any of such securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid may be changed from time to time.

Our outstanding common shares are listed on the TSX under the symbol "BOS" and on the OTCQX under the symbol "ABSSF". Unless otherwise specified in the applicable prospectus supplement, none of the preferred shares, debt securities, warrants, subscription receipts or units will be listed on any securities exchange. **Accordingly, unless so specified, there will be no market through which those securities may be sold and purchasers may not be able to resell those securities purchased under this prospectus. This may affect the pricing of those securities in the secondary market, the transparency and availability of trading prices, the liquidity of those securities, and the extent of issuer regulation.**

The prospectus supplement with respect to any securities being offered will set forth the terms of the offering of those securities, including:

- the name or names of any underwriters, dealers or other placement agents,
- the purchase price of, and form of consideration for, the offered securities and the net proceeds to us from such sale,
- any underwriting discounts or commissions and other items constituting underwriters' compensation,
- any offering price (or the manner of determination thereof if offered on a non-fixed price basis),

- any discounts, commissions or concessions allowed or reallocated or paid to dealers or agents, and
- any securities exchanges on which offered securities may be listed.

Securities may also be sold directly by us in accordance with applicable securities laws at prices and upon terms agreed to by the purchaser and us or through agents designated by us from time to time. Any agent involved in the offering and sale of securities pursuant to a particular prospectus supplement will be named, and any commissions payable by us to that agent will be set forth, in such prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent would be acting on a best efforts basis for the period of its appointment.

Without limiting the generality of the foregoing, we also may issue securities in exchange for property, including for other securities issued by us or for securities or assets of other companies that we may acquire in the future.

The offering of securities under this prospectus will be made only in Canada and to residents thereof. The securities have not been, and will not be, registered under the *United States Securities Act* of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and may not be offered, sold or delivered within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. If specified in the applicable prospectus supplement, we or the underwriters, dealers or agents in an offering of securities will be entitled to offer and sell those securities to accredited investors or qualified institutional buyers, as applicable, in the United States provided such offers and sales are made pursuant to an exemption from the registration requirements under the U.S. Securities Act and in compliance with applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Any underwriters, dealers or agents to or through whom the securities are sold by the Company may make a market in the securities, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any of the securities will develop or as to the liquidity of any trading market for the securities.

Under agreements that may be entered into by us, underwriters, dealers and agents who participate in the distribution of securities may be entitled to indemnification by us against certain liabilities, including liabilities under Canadian provincial securities legislation, or to contributions with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. The underwriters, dealers and agents with whom we enter into agreements may engage in transactions with or perform services for us in the ordinary course of business.

In connection with any offering of securities, other than an “at-the-market distribution”, unless otherwise specified in a prospectus supplement, underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of securities offered at levels other than those which might otherwise prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time. A purchaser who acquires securities forming part of the underwriters’ or agents’ over-allotment position acquires those securities under any such prospectus supplement, regardless of whether the over-allotment position is ultimately filled through the exercise of the over-allotment option or secondary market purchases. No underwriter or dealer involved in an “at-the-market distribution” under this prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the securities.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of AirBoss consists of an unlimited number of Class A shares without par value, designated as “common shares”, and an unlimited number Class B shares without par value, issuable in series and designated as “Class B preference shares”, which are referred to herein as “preferred shares”. As of September 24, 2021, 26,987,068 common shares of AirBoss were issued and outstanding, all of which are fully paid and non-assessable. Our articles provide for the issuance of up to 1,000,000 Class B preference shares, Series I, and 1,000,000 Class B preference shares, Series II; however, no preferred shares of AirBoss were issued and outstanding as of September 24, 2021. In this description, the words “we”, “us”, “our” and “AirBoss” refer to AirBoss of America Corp. and not any of its subsidiaries.

Common Shares

The holders of the common shares are entitled to receive notice of any meetings of shareholders and to attend and cast one vote per share at all such meetings except meetings at which only holders of a specified class or series of shares are entitled to vote. Holders of common shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the common shares entitled to vote in any election of directors may elect all directors standing for election.

The holders of the common shares are entitled to receive (1) on a pro rata basis dividends, if any, as and when declared by our board of directors at its discretion from funds legally available therefore and (2) upon our liquidation, dissolution or winding-up, on a pro rata basis our net assets after payment of all outstanding debts and other liabilities, subject in each case to the rights, privileges, restrictions and conditions attaching to the preferred shares and any other series or class of shares in our share capital ranking senior in

priority to or on a pro rata basis with, the common shares in respect of dividends or liquidation. Holders of the common shares have no pre-emptive, subscription, redemption, exchange or conversion rights.

Provisions as to modification, amendment or variation of the rights attached to the common shares are contained in our articles and the *Business Corporations Act* (Ontario).

Preferred Shares

The following describes certain general terms and provisions of the preferred shares. The particular terms and provisions of a series of preferred shares offered by a prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such prospectus supplement. The preferred shares may be issued from time to time, in one or more series, with such rights, privileges, restrictions and conditions as the board of directors of AirBoss may determine. Subject to the filing of articles of amendment in prescribed form and the endorsement thereon of a certificate of amendment in respect thereof, the directors may from time to time before such issue fix the number of preferred shares that is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of preferred shares including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the redemption, purchase and/or conversion prices and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions.

The preferred shares rank prior to the common shares and to any other shares in our share capital ranking junior to the preferred shares with respect to the payment of dividends and the distribution of assets in the event of our liquidation, dissolution or winding-up. Each series of preferred shares ranks on a parity with every other series of preferred shares. The preferred shares may also be given such other preferences over the common shares and any other shares in our share capital ranking junior to the preferred shares, not inconsistent with the Company's articles, as may be fixed as provided in the articles. If any cumulative dividends or amounts payable on the return of capital in respect of a series of preferred shares are not paid in full, all series of preferred shares shall participate rateably in respect of such dividends or return of capital.

Unless the directors otherwise determine in the articles of amendment designating a series, the holder of each share of a series of preferred shares shall be entitled to one vote at a meeting of shareholders.

The preferred shares of any series may be made convertible into common shares at such rate and upon such basis as the directors in their discretion may determine.

Provisions as to modification, amendment or variation of the rights attached to the preferred shares are contained in our articles and the *Business Corporations Act* (Ontario).

DESCRIPTION OF DEBT SECURITIES

The following description sets forth certain general terms of the debt securities that we may offer. The particular terms of a series of debt securities offered by any prospectus supplement and the extent, if any, to which such general terms may apply to those debt securities will be described in the related prospectus supplement. Accordingly, for a description of the terms of a particular issue of debt securities, reference must be made to both the related prospectus supplement and to the following description. Prospective investors should rely on information in the applicable prospectus supplement if it is different from the following information. In this description, the words "we", "us", "our" and "AirBoss" refer to AirBoss of America Corp. and not any of its subsidiaries.

This prospectus does not qualify for issuance debt securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this prospectus may qualify for issuance debt securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates.

We conduct our business through subsidiaries. Accordingly, our ability to meet our obligations under the debt securities is dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to us. Our subsidiaries are separate legal entities and have no independent obligation to pay dividends to us. Prior to paying dividends to us, the subsidiaries have financial obligations that must be satisfied, including among others, their operating expenses and obligations to creditors. In addition, the rights that we and our creditors would have to participate in the assets of any such subsidiary upon the subsidiary's liquidation or recapitalization will be subject to the prior claims of the subsidiary's creditors. Certain of our subsidiaries have incurred or will incur substantial amounts of debt in the operations and expansion of their businesses, and we anticipate that certain of our subsidiaries will continue to do so in the future.

Holders of debt securities will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debt holders, secured creditors, taxing authorities, guarantee holders and any holders of preferred shares. In addition to trade debt, certain of our operating subsidiaries have ongoing corporate debt programs used to finance their business activities. The debt securities will be structurally subordinated to all liabilities and any preferred shares of our subsidiaries. The debt securities will be

effectively subordinated to any of our existing and future secured obligations to the extent of the value of the collateral securing such obligations.

The debt securities will be issued under one or more indentures between AirBoss and a trustee or in one or more series by entering into supplemental indentures under any such indenture. The statements made hereunder relating to the indenture and the debt securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the indenture. A copy of each such indenture and supplemental indenture will be filed by us with securities regulatory authorities after it has been entered into and will be available on our SEDAR profile at www.sedar.com.

The debt securities of a series need not be issued at the same time, bear interest at the same time or mature on the same date. The indenture may provide that debt securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by AirBoss, its board of directors or a committee thereof.

The particular terms of each issue of debt securities will be described in the related prospectus supplement. The terms and provisions of any debt securities offered under a prospectus supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. Those terms may include some or all of the following:

- the designation, aggregate principal amount and authorized denominates of such debt securities;
- the currency or currency units for which the debt securities may be purchased and the currency or currency unit in which the principal and any interest is payable;
- AirBoss' right (if any) to defer payment of interest and the maximum length of any such deferral period;
- the price at which such debt securities will be issued or whether such debt securities will be issued on a non-fixed price basis;
- the date or dates on which such debt securities will mature and any right that we may have to change the date on which the principal is payable;
- the rate or rates per annum at which such debt securities will bear interest (if any), or the method of determination of such rates (if any);
- the dates on which any such interest will be payable and the record dates for such payments;
- the credit rating assigned to the debt securities by rating agencies, if any;
- the general terms or provisions pursuant to which the debt securities are to be issued;
- the trustee under the indenture pursuant to which the debt securities are to be issued;
- whether the debt securities are subject to redemption or call and, if so, the terms of such redemption or call provisions;
- any covenants included for the benefit of the holders of debt securities;
- whether the debt securities will be subordinated to other liabilities of AirBoss;
- the general terms or provisions, if any, pursuant to which the debt securities are to be secured;
- the terms upon which any exchangeable or convertible series of debt securities may be converted into common shares of AirBoss;
- any additional events of default provided with respect to such debt securities;
- the date (if any) on which, and the price at which, AirBoss is obligated, pursuant to any mandatory sinking fund provisions or otherwise, to redeem or, at the holders' option, to purchase the series of debt securities;
- whether we will issue the debt securities as global securities and, if so, the identity of the depository;
- material Canadian tax consequences of owning the debt securities; and
- any other material terms and conditions of the debt securities.

Neither the aggregate principal amount of debt securities that will be issued and sold nor the issue price to the public of the debt securities has been established, as the debt securities will be issued at such times, in such amounts and at such prices as AirBoss, its board of directors or a committee thereof may determine from time to time.

We may amend any indenture and the debt securities without the consent of the holders of the debt securities in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding debt securities. A more detailed description of the amendment provisions will be included in the applicable prospectus supplement.

DESCRIPTION OF WARRANTS

We may issue warrants to purchase common shares, preferred shares or debt securities. A warrant will entitle the holder to purchase for cash a number of securities at an exercise price that will be stated in, or that will be determinable as described in, the applicable prospectus supplement. Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities for which the warrants are exercisable.

We may issue warrants independently or together with other securities, and warrants sold with other securities may be attached to or separate from the other securities.

Warrants will be issued under and governed by the terms of one or more warrant agreements or indentures that we will enter into with one or more banks or trust companies acting as warrant agent or trustee that will be named in the applicable prospectus supplement.

Under the warrant agreement or indenture, a purchaser of warrants will have a contractual right of rescission following the issuance of common shares, preferred shares or debt securities, as the case may be, to such purchaser upon exercise of the warrants, entitling the purchaser to receive the amount paid for the warrants and any additional amount paid on exercise thereof upon surrender of such common shares, preferred shares or debt securities, as applicable, if this prospectus, the relevant prospectus supplement or any amendment thereto contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the warrants are issued. A copy of each such warrant agreement or indenture will be filed by us with securities regulatory authorities after it has been entered into and will be available on our SEDAR profile at www.sedar.com.

The particular terms of any warrants that we offer, and the extent to which the general terms and provisions described in this section apply to those warrants, will be set out in the applicable prospectus supplement. The prospectus supplement will include some or all of the following:

- the designation and aggregate number of warrants offered;
- the price, if any, at which warrants will be offered;
- the currency or currencies in which the warrants will be offered;
- the number or principal amount, as applicable, of common shares, preferred shares or debt securities purchasable on exercise of the warrants, and procedures that will result in the adjustment of that number or amount;
- if applicable, the designation and terms of the preferred shares or debt securities purchasable on exercise of the warrants;
- the identity of the warrant agent or trustee;
- the exercise price of the warrants;
- the dates or periods on, after or during which the warrants are exercisable;
- the designation and terms of any securities with which the warrants are issued and the number of warrants that will be issued with each such security;
- if the warrants are issued as a unit with another security, the date on and after which the warrants and the other security will be separately transferable;
- any minimum or maximum amount of warrants that may be exercised at any one time;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the warrants;
- whether the warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- whether we will issue the warrants as global securities and, if so, the identity of the depository;
- the material Canadian tax consequences of owning the warrants and the underlying securities;
- provisions as to modification, amendment or variation of the warrant indenture or any rights or terms attaching to the warrants; and
- any other material terms, preferences, rights or limitations of, or restrictions on, the warrants.

Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities to be received on the exercise of the warrants.

We may amend any warrant agreement and the warrants without the consent of the holders of the warrants in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding warrants. A more detailed description of the amendment provisions will be included in the applicable prospectus supplement.

The warrant agent will act solely as our agent. The warrant agent will not have any duty or responsibility if we default under the warrant agreements or the warrant certificates. A warrant holder may, without the consent of the warrant agent, enforce, by appropriate legal action on its own behalf, the holder's right to exercise the holder's warrants.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

We may issue subscription receipts that entitle the holder to receive upon satisfaction of certain release conditions, and for no additional consideration, common shares, preferred shares, debt securities or warrants or any combination thereof. The subscription receipts may be offered separately or together with other securities, and subscription receipts sold with other securities may be attached to or separate from the other securities.

The subscription receipts will be issued under one or more subscription receipt agreements, that we will enter into with one or more escrow agents. If underwriters or agents are involved in the sale of subscription receipts, one or more of such underwriters or agents may also be parties to the subscription receipt agreement governing those subscription receipts. The relevant subscription receipt agreement will establish the terms of the subscription receipts. Under the subscription receipt agreement, a purchaser of subscription receipts will have a contractual right of rescission following the issuance of common shares, preferred shares, debt securities or warrants, as the case may be, to such purchaser, entitling the purchaser to receive the amount paid for the subscription receipts upon surrender of such common shares, preferred shares, debt securities or warrants, as applicable, if this prospectus, the relevant prospectus supplement or any amendment thereto contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the subscription receipts are issued. A copy of each such subscription receipt agreement will be filed by us with securities regulatory authorities after it has been entered into and will be available on our SEDAR profile at www.sedar.com.

The particular terms of any subscription receipts that we offer, and the extent to which the general terms and provisions described in this section apply to those subscription receipts, will be set out in the applicable prospectus supplement. The prospectus supplement will include some or all of the following:

- the number of subscription receipts offered;
- the price at which the subscription receipts will be offered;
- the currency or currencies in which the subscription receipts will be offered;
- the designation, number, aggregate principal amount, currency or currencies, and terms, as applicable, of the common shares, preferred shares, debt securities or warrants to be received by holders of subscription receipts upon satisfaction of the release conditions, and the anti-dilution provisions that will result in the adjustment of those numbers;
- the identity of the escrow agent;
- the release conditions that must be met in order for holders of subscription receipts to receive for no additional consideration, common shares, preferred shares, debt securities or warrants, as applicable.
- the procedure for the issuance and delivery of common shares, preferred shares, debt securities or warrants, as applicable, to holders of subscription receipts upon satisfaction of the release conditions;
- whether any payments will be made to holders of subscription receipts upon delivery of the common shares, preferred shares, debt securities or warrants, as applicable, upon satisfaction of the release conditions;
- the terms and conditions under which the escrow agent will hold in escrow all or a portion of the proceeds from the sale of the subscription receipts together with any interest income earned thereon (collectively, the "**escrowed funds**"), pending satisfaction of the release conditions;
- the terms and conditions under which the escrow agent will release all or a portion of the escrowed funds to us upon satisfaction of the release conditions;
- if the subscription receipts are sold to or through underwriters or agents, the terms and conditions under which the escrow agent will release a portion of the escrowed funds to such underwriters or agents in payment of all or a portion of their fees or commission in connection with the sale of the subscription receipts;
- procedures for the refund by the escrow agent to holders of subscription receipts of all or a portion of the subscription price for their subscription receipts, plus any pro rata entitlement to interest earned or income generated on such amount and any additional amounts provided for in the subscription receipt agreement, if the release conditions are not satisfied;
- any entitlement of ours to purchase the subscription receipts in the open market by private agreement or otherwise;
- whether we will issue the subscription receipts as global securities and, if so, the identity of the depository;
- the designation and terms of any securities with which the subscription receipts are issued and the number of subscription receipts that will be issued with each such security;

- the material Canadian tax consequences of owing the subscription receipts and the underlying securities;
- provisions as to modification, amendment or variation of the subscription receipt agreement or any rights or terms attaching to the subscription receipts; and
- any other specific material terms, preferences, rights or limitations of, or restrictions on, the subscription receipts.

Prior to the exercise or exchange of their subscription receipts, holders of subscription receipts will not have any of the rights of holders of the securities to be received on the exercise or exchange of the subscription receipts.

We may amend any subscription receipt agreement and the subscription receipts without the consent of the holders of the subscription receipts in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding subscription receipts. A more detailed description of the amendment provisions will be included in the applicable prospectus supplement.

DESCRIPTION OF UNITS

We may issue units comprised of one or more of the other securities described in this prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date.

The applicable prospectus supplement may describe:

- the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units;
- how, for income tax purposes, the purchase price paid for the units is to be allocated among the securities comprising the units;
- the material Canadian tax consequences of owing the units and the securities comprising the units;
- the currency or currency units in which the units may be purchased and the securities comprising the units denominated; and
- whether the units or the securities comprising the units will be issued as global securities and if so, the identity of the depository.

The particular terms of any units that we offer, and the extent to which the general terms and provisions described in this section apply to those units, will be set out in the applicable prospectus supplement.

We may amend the unit agreement and the units, without the consent of the holders of the units, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding units. Other amendment provisions will be as indicated in the applicable prospectus supplement.

EARNINGS COVERAGE RATIOS

The applicable prospectus supplement will provide, as required, the earnings coverage ratios with respect to the issuance of securities pursuant to such prospectus supplement.

PRIOR SALES

Prior sales will be provided, as required, in a prospectus supplement with respect to the issuance of securities pursuant to such prospectus supplement.

TRADING PRICES AND VOLUMES

Trading prices and volume of the common shares will be provided, as required, in each prospectus supplement.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable prospectus supplement will describe certain material Canadian federal income tax consequences to an investor of the acquisition, ownership and disposition of any securities offered thereunder.

RISK FACTORS

An investment in the securities involves risk. Before deciding whether to invest in the securities, you should consider carefully the risks described in the documents incorporated by reference in this prospectus (including subsequent documents incorporated by reference in this prospectus) and, if applicable, those described in a prospectus supplement relating to a specific offering. Discussions of certain risks and uncertainties affecting our business are provided in our AIF and our Annual MD&A (or, as applicable, our annual information form and our management's discussion and analysis for subsequent periods), each of which is incorporated by reference in this prospectus. These are not the only risks and uncertainties that we face. Additional risks not presently known to us or that we currently consider immaterial may also materially and adversely affect us. If any of the events identified in these risks and uncertainties were to actually occur, our business, financial condition or results of operations could be materially harmed.

In addition, prospective purchasers of securities should carefully consider, in light of their own financial circumstances, the risk factors set out below, as well as the other information contained in this prospectus (including the documents incorporated by reference herein) and in all subsequently filed documents incorporated by reference and those described in a prospectus supplement relating to a specific offering of securities, before making an investment decision.

There is no existing public market for the preferred shares, debt securities, warrants, subscription receipts or units and a market may not develop

There is currently no market through which the preferred shares, debt securities, warrants, subscription receipts or units may be sold and purchasers of preferred shares, debt securities, warrants, subscription receipts or units may not be able to resell such preferred shares, debt securities, warrants, subscription receipts or units purchased under this prospectus. There can be no assurance that an active trading market will develop for the preferred shares, debt securities, warrants, subscription receipts or units after an offering or, if developed, that such market will be sustained. This may affect the pricing of the preferred shares, debt securities, warrants, subscription receipts or units in the secondary market, the transparency and availability of trading prices, the liquidity of the preferred shares, debt securities, warrants, subscription receipts or units and the extent of issuer regulation.

The public offering prices of the securities may be determined by negotiation between us and underwriters, dealers or agents based on several factors and may bear no relationship to the prices at which the securities will trade in the public market subsequent to such offering, if any public market develops. See "**Plan of Distribution**".

Prevailing interest rates will affect the market price or value of the debt securities

The market price or value of the debt securities will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Debt securities may not be secured by our assets

Holders of secured indebtedness of AirBoss would have a claim on the assets securing such indebtedness that effectively ranks prior to the claim of holders of any unsecured debt securities issued pursuant to the prospectus, whether senior or subordinated. Secured indebtedness may be incurred by us in the future, including following any issuance of senior or subordinated unsecured indebtedness.

Subordination

The debt securities will be senior or subordinated indebtedness as described in the relevant prospectus supplement. In the event of the insolvency or winding-up of AirBoss, any subordinated debt securities would be subordinated and postponed in right of payment to the prior payment in full of all other liabilities and indebtedness of AirBoss, other than indebtedness that, by its terms, ranks equally with, or subordinate to, such subordinated debt securities. The debt securities will be structurally subordinated to indebtedness and any preferred shares of our subsidiaries. See "**Description of Debt Securities**".

Potential Dilution

Our articles of incorporation allow us to issue an unlimited number of common shares and preferred shares for such consideration and on such terms and conditions as shall be established by our board of directors, in many cases, without the approval of our shareholders. We may issue common shares and preferred shares in public or private offerings (including through the sale of securities convertible into or exchangeable for common shares or preferred shares) and on the exercise of stock options or other securities exercisable for common shares or preferred shares. We may also issue common shares or preferred shares to finance or as consideration for future acquisitions and other projects or in connection with the establishment or development of strategic relationships. Any such future issuances of common shares or preferred shares could be significant and we cannot predict the effect that future issuances and sales of common shares or preferred shares will have on the market price of our shares. Preferred shares may be issued with the right to vote with our common shares. Issuances of a substantial number of additional common shares or preferred shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for our shares. With any additional issuance of common shares or preferred shares bearing a right to vote with our common shares, investors will suffer dilution to their voting power. Any such issuance may also result in dilution in our earnings per share.

Foreign Currency Risks

Securities denominated or payable in foreign currencies may entail significant risks, and the extent and nature of such risks change continuously. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency market, the imposition or modification of foreign exchange controls and potential illiquidity in the secondary market. These risks will vary depending on the currency or currencies involved. Prospective purchasers should consult their own financial and legal advisors as to the risks entailed in an investment in securities denominated in currencies other than the currency primarily used by such purchaser. Such securities are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions.

MATERIAL CONTRACTS

In addition to the material contracts described in our AIF, AirBoss has recently entered into two material contracts described in this prospectus: the Third Amended and Restated Credit Agreement described under “AirBoss - Recent Developments”; and the share purchase agreement relating to the Acquisition (the “**ACE Elastomer Purchase Agreement**”), which is described in the material change report dated August 26, 2021 incorporated by reference herein. When the Acquisition was completed on August 31, 2021, the ACE Elastomer Purchase Agreement was substantially performed and ceased to constitute a material contract of AirBoss.

LEGAL MATTERS

Unless otherwise specified in the prospectus supplement relating to a particular issue of securities, certain legal matters relating to securities offered by this short form base shelf prospectus will be passed upon on our behalf by Davies Ward Phillips & Vineberg LLP. As of the date of this prospectus, the partners and associates of Davies Ward Phillips & Vineberg LLP, as a group, own beneficially, directly or indirectly, less than 1% of our outstanding securities of any class and less than 1% of the outstanding securities of any class of our associates or affiliates.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our auditors are KPMG LLP of Toronto, Ontario. The transfer agent and registrar for our common shares is Computershare Trust Company of Canada through its offices in Vaughan, Ontario.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and accompanying prospectus supplement relating to the securities purchased by a purchaser and any amendment thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and accompanying prospectus supplement relating to the securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

In an offering of convertible, exchangeable or exercisable securities of AirBoss, original purchasers resident in any province or territory of Canada will have a contractual right of rescission against AirBoss in respect of the conversion, exchange or exercise of such securities. The contractual right of rescission will entitle such original purchasers to receive the amount paid for the convertible, exchangeable or exercisable securities, as applicable, and any additional amounts paid by such original purchasers in connection with such conversion, exchange or exercise, as applicable, upon surrender of the underlying securities issued thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that such conversion, exchange or exercise, as applicable takes place, and the right of rescission is exercised, within 180 days of the date of purchase of the convertible, exchangeable or exercisable securities under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original Canadian purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law.

In an offering of convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which such securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories.

The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

ENFORCEABILITY OF JUDGMENTS

Each of Alan J. Watson, Anita Antenucci and Stephen Ryan is a director of AirBoss who resides outside of Canada. Each of Alan J. Watson, Anita Antenucci and Stephen Ryan has appointed AirBoss of America Corp., 16441 Yonge Street, Newmarket, Ontario

L3X 2G8, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person who resides outside of Canada, even if the party has appointed an agent for service of process.

CERTIFICATE OF AIRBOSS

Date: September 27, 2021

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

(SIGNED) P. GRENVILLE SCHOCH

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

(SIGNED) FRANK IENTILE

CHIEF FINANCIAL OFFICER

On behalf of the Board of Directors

(SIGNED) ROBERT MCLEISH

DIRECTOR

(SIGNED) BRIAN A. ROBBINS

DIRECTOR