

PET VALU HOLDINGS LTD.

AUDIT COMMITTEE MANDATE

Effective Date: June 30, 2021

Updated: March 3, 2025

1. Purpose

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Pet Valu Holdings Ltd. (the “**Company**”) is to exercise the responsibilities and duties set out in this Mandate, including to assist the Board in its oversight of (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent auditors’ qualifications and independence, (4) the performance of the Company’s independent auditors, (5) the review and oversight of the Company’s control environment, and (6) the design and implementation of the Company’s internal audit function and the performance of the internal audit function.

The Committee’s role is one of oversight. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements and financial disclosures, design and execution of the control environment and for the appropriateness of the accounting principles and the reporting policies used by the Company. The independent auditors are responsible for auditing the Company’s annual consolidated financial statements and reviewing the Company’s unaudited interim financial statements. It is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate or are in compliance with International Financial Reporting Standards (“**IFRS**”).

2. Composition

The Committee shall be comprised of not less than three members of the Board. Each member of the Committee must be independent in accordance with applicable requirements established by the *Business Corporations Act* (British Columbia), National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time, the rules and regulations of any exchange on which securities of the Company are traded and any other regulator or governmental authority having jurisdiction over the Company from time to time (the “**Applicable Requirements**”), provided however that the Company may avail itself of any exemption available pursuant to the Applicable Requirements.

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.

Each member of the Committee shall be appointed annually by the Board and shall serve at the discretion of the Board until the member resigns, is removed or ceases to be a member of the Board. Any vacancies on the Committee shall be filled by the Board. The Committee Chair shall be appointed by the Board on the recommendation of the Governance and Nominating Committee, provided that if the Board does not so appoint a Committee Chair, the members of

the Committee shall designate a Committee Chair by majority vote of the full Committee membership.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

3. Meetings and Operations

The Committee will meet as often as the Committee considers appropriate to fulfill its responsibilities, but in any event at least once during each fiscal quarter. Meetings may be called by the Committee Chair, any member of the Committee, the independent auditors, the chair of the Board (if any), the lead director of the Board (if any), the Chief Executive Officer or the Chief Financial Officer. The Committee Chair will, in conjunction with appropriate members of the Committee and management, establish the meeting calendar and set the agenda for each meeting.

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present in person or by telephone or other electronic means that permits all persons participating in the meeting to speak and hear each other. A majority of the members of the Committee shall constitute a quorum.

The independent auditors are entitled to receive notice of, 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.

The Committee must meet at least once a year, in separate sessions, with each of management, the independent auditors and the Company personnel primarily responsible for the design and implementation of the internal audit function. With respect to Committee meetings with the independent auditors, the Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Committee.

In connection with each meeting of the Committee, the Committee shall hold 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.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such information as the Committee requests.

The Committee shall maintain minutes or other records of meetings and activities of the Committee. Following each of its meetings, the Committee Chair shall report at the next regularly scheduled meeting of the Board, as required by the Applicable Requirements or as deemed necessary by the Committee or as requested by the Board, on material matters arising, or significant issues considered, at Committee meetings, including any issues as to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, management's responsibility for assessing and reporting on the effectiveness of internal control over financial reporting and disclosure controls and procedures, the performance and independence of the Company's independent auditors, or the performance of the Company's internal audit function, and such other matters delegated by the Board, and where applicable, shall present the Committee's recommendation to the Board for its approval.

The time and place of the Committee meetings and the further procedures for such meetings not otherwise specified in this Mandate shall in all respects be determined by the Committee, in accordance with the Applicable Requirements.

4. Responsibilities and Duties

The Committee shall have the following responsibilities and duties:

Financial Reporting and Disclosure

- (a) To oversee the accounting and financial reporting processes of the Company and the audits of the financial statements.
- (b) To review the annual consolidated audited financial statements of the Company, the independent auditors' report thereon and, if required pursuant to the Applicable Requirements, the related management's discussion and analysis of financial condition and financial performance ("**MD&A**"), and, after completing its review, if advisable, recommend for Board approval such annual financial statements and the related MD&A.
- (c) To review the interim consolidated financial statements of the Company, the independent auditors' review report thereon and, if required pursuant to the Applicable Requirements, the related MD&A, and, after completing its review, if advisable, recommend for Board approval such interim financial statements and any related MD&A.
- (d) In conducting its review of the annual financial statements or the interim financial statements and any related MD&A, the Committee shall:
 - i. meet with management and the independent auditors, as applicable, to discuss the financial statements and, if applicable, the MD&A;
 - ii. review the disclosures in the financial statements;
 - iii. review the audit report or report prepared by the independent 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 Company's financial statements;
 - v. regularly review the Company's critical accounting policies followed and critical accounting and other significant estimates, judgments and reserves underlying the financial statements as presented by management, including reviewing with the auditors alternative accounting treatments under applicable accounting principles discussed with management and the effects on the financial statements of same;
 - vi. consider the effect of significant accounting principles followed and financial statement presentations, including any significant changes to the Company's selection or application of accounting principles and alternative treatments under IFRS;

- 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. consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
 - ix. inquire at least annually of both management, accounting group and the independent auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;
 - x. review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
 - xi. review significant recorded and unrecorded audit adjustments;
 - xii. review with management any significant changes in IFRS, as well as emerging accounting and auditing issues, and their potential effects;
 - xiii. review management's report on the effectiveness of internal controls over financial reporting and disclosure controls and procedures, including major issues as to their adequacy and any special audit steps adopted in light of material control deficiencies;
 - xiv. review analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues;
 - xv. review any material effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements as presented by management, including requirements relating to complex or unusual transactions;
 - xvi. review with management matters that may have a material effect on the financial statements;
 - xvii. review factors identified by management as factors that may affect future financial results;
 - xviii. review responses received under the Internal Reporting Procedures (as defined below); and
 - xix. review any other matters related to the Company's financial statements that are brought forward by the independent auditors or management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.
- (e) To review and, if advisable, recommend for Board approval, financial disclosure in a prospectus or other securities offering document of the Company, the Annual Information Form of the Company, as well as earnings press releases.

- (f) The Committee is responsible for ensuring that satisfactory procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing those procedures.

Company Policies and Compliance

- (g) To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditors.
- (h) To review reports from the Chief Legal Officer and General Counsel on: (i) any significant legal, compliance, or regulatory matters that may have a material impact on the Company's financial statements and financial condition; (ii) the effectiveness of the Company's compliance policies; and (iii) any material communications received from regulators or governmental agencies that raise issues regarding the Company's financial statements or continuous disclosure.
- (i) To review with management the status of material tax matters for the Company and its subsidiaries.
- (j) To review with management tax assessments that could have a material effect upon the financial position or operating results of the Company, and the manner in which these matters are disclosed in the financial statements.
- (k) To 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.
- (l) To adopt as directed by the Board and upon adoption oversee the Company's Policy on Related Party Transactions and review and approve, ratify or disapprove all related party transactions as required by such policy, including all payments to be made pursuant to any related party transactions involving executive officers and members of the Board, and the Committee shall consider the results of any review of the Policy on Related Party Transactions by the independent auditors.
- (m) With the assistance of the Governance and Nominating Committee, to develop, as directed by the Board, and oversee the Company's Business Conduct and Compliance Program, including a Company Code of Business Conduct and Ethics (collectively, the "**Code**"), and, at least annually, meet to review the implementation and effectiveness of the Company's legal and ethical compliance programs with the Chief Legal Officer and General Counsel.
- (n) To establish, as directed by the Board, and periodically monitor, procedures in compliance with applicable law for (i) the receipt, retention, and treatment of complaints received by the Company and submitted to the Committee, whether through the whistleblower hotline or otherwise, regarding questionable accounting, internal accounting controls, or auditing matters (the "**Internal Reporting Procedures**").
- (o) To review any complaints or concerns that are received through the Internal Reporting Procedures on a quarterly basis and, if the Committee determines that the matter requires further investigation, to direct the Committee Chair to engage outside advisors, as

necessary or appropriate, to investigate the matter and to work with management and the Chief Legal Officer and General Counsel to reach a satisfactory conclusion.

Risk Management

- (p) To provide oversight and review of the Company's risk management processes for identification and assessment of the principal risks to the operations of the Company.
- (q) To review and recommend to the Board for approval the Company's Risk Management Program, pursuant to which the Committee will be responsible for determining that the Company has in place an effective process for identifying, assessing, managing and monitoring key risks in the business on a continuous basis as the business evolves, 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.
- (r) To:
 - i. at least annually, require management to report to the Committee and to review reports prepared by management that assess the risks in the business (including appropriate crisis preparedness, business continuity, information system controls, cybersecurity and disaster recovery plans), identify the risk controls that are in place to mitigate and manage these risks and the appropriate degree of risk mitigation and control, overall compliance with and the effectiveness of the Company's Risk Management Program;
 - ii. periodically monitor risk and risk management capabilities within the Company including crisis preparedness, business continuity and disaster recovery plans; and
 - iii. at least annually, report to the Board on its review of the Company's Risk Management Program, including with respect to the principal risks faced by the Company, the steps implemented by management to manage these risks and an assessment of whether the program is being followed and is effective.
- (s) To review quarterly reports from management containing its assessment of the adequacy of the Company's computerized information system controls and security and related risks, including cybersecurity, data protection and artificial intelligence risk.
- (t) To review the adequacy and quality of insurance coverages maintained by the Company and approve new insurance coverage and renewals thereof, as applicable.

Independent Auditors

- (u) To review and, if advisable, recommend for Board approval the independent auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company and to approve the compensation of the independent auditors. The Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan. The Company's independent auditors shall report directly to the Committee.

- (v) To approve in advance all audit and permitted non-audit services to be provided by the independent auditors to the Company or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures and adopt and implement policies for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the auditors.
- (w) To review, at least annually, a summary of the independent auditors' annual audit plan. The Committee shall consider and review with the auditors any material changes to the scope of the plan.
- (x) To establish and maintain a policy under which all requests for permitted non-audit services to be provided by the independent auditors shall be brought to the attention of the Committee Chair before such work is commenced. The Committee Chair is authorized to approve all such requests, but if any such service exceeds or is expected to exceed \$200,000 in fees, or the service is of a sensitive or unusual nature, the Committee Chair shall consult with the Committee before approving the service. The Committee Chair has the responsibility to inform the Committee of all pre-approved services at its next Committee meeting.
- (y) To review a report prepared by the independent auditors in respect of each of the interim financial statements of the Company.
- (z) To assess the effectiveness of the working relationship of the independent auditors with management and resolve any disagreements between management and the independent auditors as to financial reporting matters brought to its attention.
- (aa) To meet regularly with the independent auditors in the absence of management to discuss any restrictions that may have been placed on the scope and extent of the audit examinations by the independent auditors or the reporting of their findings to the Committee.
- (bb) To review all issues related to a proposed change of the independent auditors, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.
- (cc) To review all reportable events, including disagreements, unresolved issues and consultations with the independent auditors, whether or not there is to be a change of independent auditors.
- (dd) To monitor and evaluate the qualifications, performance, and independence of the independent auditors on an ongoing basis, and, in conducting such evaluations, to:
 - i. receive, at least annually, an oral and/or written report from the external auditors describing their internal quality assurance policies and procedures as well as any material issues raised in the most recent internal quality assurance reviews, quality reviews conducted by the Canadian Public Accountability Board, or any inquiry or investigation conducted by government or regulatory authorities;
 - ii. obtain written confirmation from the independent auditors, and to affirm 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 independent auditors belong and other Applicable Requirements;

- iii. at least annually, review and evaluate the qualifications, performance, and independence of the lead audit partner of the independent auditors;
 - iv. discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner, and any other active audit engagement team partner and consider whether there should be a regular rotation of the audit firm itself; and
 - v. discuss with the independent auditors any material written communications between the independent auditors and management, such as any “management” letter or schedule of unadjusted differences.
- (ee) Provide the independent auditors and the internal auditors with access to the Board, including access without representatives of management present.
- (ff) To periodically discuss with the independent auditors such other matters as are required by applicable auditing standards to be discussed by the independent auditors with the Committee.

Internal Audit

- (gg) The Committee should:
- i. review and concur with management’s appointment, termination or replacement of the head of the internal audit function and the selection of vendors for any outsourcing of the internal audit function;
 - ii. confirm with the head of the internal audit function that he or she is aware of his or her obligation to report directly to the Committee on matters affecting the Committee's duties, irrespective of his or her other reporting relationships;
 - iii. review the resources, adequacy, authority and independence of the internal audit function;
 - iv. review proposed internal audit plans, receive reports on and review the results of internal audits and examinations conducted by the internal audit function with respect to those controls that mitigate strategic, financial and operational risks and any other matters appropriate to the Committee’s duties, and the remediation status of internal audit findings; and
 - v. direct management to make changes that the Committee deems advisable in respect of the internal audit function.

Internal Controls

- (hh) To review the Company’s system of internal controls.

- (ii) To require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure controls and procedures, and to review these controls and procedures and, at least annually, to consider and review with management and the independent 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 and procedures (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, if such filings are required pursuant to the Applicable Requirements;
 - 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 and procedures.

General

- (jj) To, annually, review this Mandate and recommend changes to the Mandate for Board approval.
- (kk) To, annually, evaluate the performance of the Committee in light of this Mandate in accordance with the evaluation process developed by the Governance and Nominating Committee, and implement any changes in its own performance suggested by such review.
- (ll) To perform any other responsibilities the Board specifically delegates to the Committee, in each case subject to the limitations on the Board or any committee thereof contained in the Company's Certificate of Incorporation or the Applicable Requirements, as each is in effect from time to time.

- (mm) In addition to any of the functions and responsibilities noted within this Mandate, the Committee shall perform the functions and duties required of an audit committee by any Applicable Requirements.

Audit Committee Disclosures

- (nn) To prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

5. Delegation to Subcommittee

To the extent permitted by the Applicable Requirements, the Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. The Committee may, in its discretion, delegate to the Committee Chair the authority to pre-approve any audit or non-audit services to be performed by the independent auditors. Any actions taken pursuant to any such delegations shall be reported to the full Committee at its next scheduled Committee meeting.

6. Resources and Authority of the Committee

The Committee shall have unrestricted access to management and employees and the books and records of the Company, and, from time to time may hold unscheduled or regularly scheduled meetings or portions of meetings in executive session or otherwise with the independent auditors, the Chief Financial Officer, the Chief Executive Officer and the Chief Legal Officer and General Counsel.

The Committee will have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, advisors, accountants or other experts and advice from a source independent of management, at the expense of the Company, with notice to either the chair of the Board (if any) or the Chief Executive Officer, as it deems appropriate to carry out its duties. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors.