

THE NORTH WEST COMPANY INC.

AUDIT COMMITTEE MANDATE

The Audit Committee (the "Committee") of The North West Company Inc. ("North West") is established in order to assist the Board of Directors of North West (the "Board") in its oversight activities, including overseeing the work of North West's external auditor as set out below.

1. Purpose

The primary purpose of the Committee is to assist the Board in fulfilling its responsibilities of oversight and supervision of:

- (a) the integrity of North West's accounting and financial reporting practices and procedures;
- (b) the adequacy of North West's internal accounting and disclosure controls and procedures;
- (c) the quality and integrity of North West's consolidated annual and quarterly financial statements;
- (d) the independence and performance of North West's external auditor;
- (e) compliance by North West with legal and regulatory requirements in regard to financial reporting and disclosure that North West is subject to;
- (f) the performance of the internal audit function, and ensuring processes are in place to ensure the independence of the internal audit function; and
- (g) the implementation of appropriate systems and processes to identify and manage North West's principle risks.

2. Composition

- (a) The Committee will be comprised of a minimum of three directors who are "independent" directors within the meaning of Multilateral Instrument 52-110 Audit Committee (the "Policy"). Any Committee member, who, for any reason, is no longer independent, immediately ceases to be a Committee member;
- (b) All Committee members will be "financially literate" or will become financially literate within the time limits as set out in the Policy. "Financially literate" means 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 North West's consolidated financial statements; and
- (c) Committee members will be appointed and removed by the Board. The Committee Chairperson will be appointed by the Board.

3. Reports

The Committee shall report to the Board on a regular basis, including prior to the public disclosure by North West of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to the quality or integrity of North West's consolidated financial statements, its compliance with legal and regulatory requirements, and the performance and independence of North West's external auditor.

4. Responsibilities

Subject to the powers and duties of the Board, and with the requirement that the Committee provides timely summary reports to the Board on its activities, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

A. Financial Statements and Other Financial Information

The Committee shall:

- (a) review North West's consolidated interim unaudited financial statements and annual audited financial statements and related documents, prior to any public disclosure of such information;
- (b) following a review with management and the external auditor of such annual and interim consolidated financial statements and related documents including the auditor's report thereon, recommend to the Board the approval of such financial statements and related documents;
- (c) review with management and/or the external auditor all critical accounting policies and practices used as well as significant management estimates and judgments and any changes in accounting policies or financial reporting requirements that may affect North West's consolidated financial statements;
- (d) review with management and/or the external auditor the treatment in the financial statements of any significant transactions, and other potentially difficult matters;
- (e) review with management and the external auditor all matters required to be communicated to the Committee under generally accepted auditing standards;
- (f) review and recommend to the Board for approval, other annual and quarterly financial reporting documents, including management's discussion and analysis, earnings press releases, Annual Information Form, and Annual Report of North West prior to any disclosure to the public;
- (g) review with management and the external auditor any material off-balance sheet financing mechanisms, transactions or obligations of North West;
- (h) review a summary provided by North West's management, of the status of any material existing, pending or threatened litigation, claims and assessments respecting North West and its subsidiaries;

- (i) review with management and the external auditor any correspondence with securities regulators or commissions which raise material issues regarding North West's financial statements or accounting policies; and
- (j) review in advance and approve, any communications regarding material financial matters between North West and any applicable securities regulators or commissions.

B. Financial Reporting Control Systems

The Committee shall:

- (a) in consultation with management, the external auditor and the officer or employee responsible for the internal audit function, review, evaluate and assess the adequacy, integrity and effectiveness of North West's consolidated financial reporting processes, management information systems, and internal controls and discuss significant financial risk, exposures and the steps management has taken to monitor, control and report such exposures;
- (b) review guidelines and policies with respect to identifying and managing the principle financial risks inherent in North West's business and operations, and review the processes that are implemented by management to manage and monitor those risks;
- (c) submit to the Board, any recommendations that the Committee may have from time to time (through its own inquiries or through those of advisors retained by the Committee) with respect to financial reporting, accounting procedures and policies and internal controls;
- (d) ensure that due diligence processes and controls in connection with certification of North West's annual and interim filings are in place, monitoring their continued effectiveness, and ensure that such filings are in a form that permits their certification;
- (e) review any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls made to the Committee by the CEO and CFO during their certification process for forms filed with applicable securities regulators;
- (f) review with management and/or the external auditor any related party transactions (as defined under "International Financial Reporting Standards");
- (g) review the management representation letter to the external auditor;
- (h) review reports obtained from the external auditor regarding the overall control environment and the adequacy of accounting system controls;
- (i) review any new appointments to Vice President positions of North West and its subsidiaries with financial reporting responsibilities;
- (j) satisfy itself that adequate procedures are in place for the review of North West's disclosure of North West's financial information extracted or derived

from North West's consolidated financial statements, and periodically assess the adequacy of those procedures;

- (k) establish procedures for: (i) the receipt, retention, and treatment of complaints received by the issuer regarding internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of North West or its subsidiaries of concerns regarding questionable accounting, internal accounting controls, or auditing matters;
- (l) review and approve North West's (and its respective subsidiaries) hiring policies regarding employees and former employees of the present and former external auditor of North West; and
- (m) review annually North West's property and liability insurance policies (other than Director and Officer Liability Insurance), and satisfy itself that adequate insurance programs are in place.

C. Disclosure Controls

The Committee shall:

- (a) satisfy itself that management has developed and implemented a system of disclosure controls to ensure that North West meets its continuous disclosure obligations;
- (b) receive regular reports from management on the functioning of the disclosure compliance system, including any significant instances of non-compliance with such system, in order to satisfy itself that such system may be reasonably relied upon; and
- (c) review any disclosures concerning any weaknesses or any deficiencies in the design or operation of disclosure controls made to the Committee by the CEO and CFO during their certification process for forms filed with applicable securities regulators.

D. Internal Audit

The Committee shall:

- (a) review and concur with any appointment or dismissal of the senior internal audit officer or employee;
- (b) communicate directly with the senior internal audit officer or employee;
- (c) review the performance and ensure processes are in place for the independence of the internal audit function;
- (d) meet separately with the senior internal audit officer or employee to discuss any matters that the Committee or auditor believe should be discussed in private;

- (e) review and approve the proposed annual corporate internal audit plan, including assessment of major risks, areas of focus, responsibilities and objectives, and staffing; and
- (f) receive quarterly reports from internal audit on (a) the progress on the internal audit plan, including any significant changes to it; (b) significant internal audit findings, including issues as to the adequacy of internal control over financial reporting and any procedures implemented in light of significant control deficiencies; and (c) any significant internal fraud issues.

E. External Auditor

The Committee shall:

- (a) obtain confirmation from the external auditor that it will be accountable to, communicate directly with, and report directly to, the Committee;
- (b) review and approve the external auditor's annual audit plan;
- (c) meet with North West's external auditor on a regular basis in the absence of management, and discuss in private with the external auditor matters affecting the conduct of their audit and other corporate matters;
- (d) review regularly the performance, qualifications, independence and remuneration of North West's external auditor, as well as the competence and responsiveness of the individual partners assigned to North West's account;
- (e) recommend to the Board each year the remuneration of, and the retention or replacement of the external auditor to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for North West, and annually approve the terms such engagement;
- (f) if there is a plan to change the external auditor, review all issues related to the change and the steps planned for an orderly transition;
- (g) oversee the work of the external auditor engaged for the purpose of preparing or issuing an audit report or performing other services;
- (h) discuss with North West's external auditor the quality of North West's accounting principles and policies;
- (i) resolve any disagreements between management and the external auditor regarding financial reporting;
- (j) relay its expectations to North West's external auditor from time to time including its expectation that (i) any disagreements of a material nature with management be brought to the attention of the Committee, (ii) any irregularities in the financial information be reported to the Committee; and (iii) the external auditor discloses any conflict of interest that may arise in their engagement; and

- (k) pre-approve all non-audit services to be provided to North West or its subsidiary entities by its external auditor to obtain assurance that the performance of such services will not compromise the independence of the external auditor. The Committee may delegate to the Chairperson of the Committee authority to pre-approve non-audit services in satisfaction of this requirement. The pre-approval of non-audit services by the Chairperson of the Committee must be presented to the full Committee at its first scheduled meeting following such pre-approval.

F. Enterprise Risk Management

The Committee shall:

- (a) review North West's processes for identifying, assessing and managing risk and North West's external and internal risk exposures;
- (b) at least annually, obtain from management a report identifying and addressing North West's exposure to principle risks (including with respect to ESG (environmental, social, governance)), and the steps management has taken to monitor and control such exposures;
- (c) oversee risks that may have a material impact on North West's financial statements; and
- (d) provide regular reports and recommendations to the Board with respect to any outcomes, findings and issues arising in connection therewith.

G. Other

The Committee shall assess the performance of the CFO and report their views to the CEO, in conjunction with the CEO's annual performance review of the CFO.

5. Structure

- (a) The Board shall appoint one of the Committee members to act as Chairperson of the Committee.
- (b) The Committee will appoint the Corporate Secretary of North West as secretary of the Committee, who will keep minutes of all meetings. In absence of the Corporate Secretary, the Committee will appoint an acting secretary who will keep minutes of the meeting.
- (c) The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than quarterly each year. Meetings will be at the call of the Chairperson. Notwithstanding the foregoing, the external auditor of North West or any member of the Committee may call a meeting of the Committee. The Committee may hold a meeting by telephone conference call.
- (d) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. A majority of the

members of the Committee shall constitute a quorum provided that if the number of members of the Committee is an even number one half of the number of members plus one shall constitute a quorum.

- (e) Any member of the Committee may be removed or replaced at any time by the Board or shall cease to be a member of the Committee as soon as such member ceases to be a Director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders.
- (f) The external auditor of North West shall be entitled to receive notice of every meeting of the Committee to attend and be heard thereat.
- (g) The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee, unless otherwise provided for in North West's bylaws, or otherwise determined by resolution of the Board.
- (h) Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

6. Chairperson of the Committee

The Chairperson of the Committee (the "Chairperson") is responsible for the effective functioning of the Committee.

7. Independent Advice

In discharging its mandate, the Committee shall have the authority to retain and receive advice from independent legal, accounting or other advisors at the expense of North West, as required to fulfill its duties, and to set and pay the compensation for such advisors.

8. Evaluation

The Committee shall:

- (a) regularly review and assess the adequacy of its Mandate, and recommend any proposed changes to the Governance and Nominating Committee, for recommendation to the Board for approval; and
- (b) participate in a regular performance evaluation of the Committee, the results of which will be reviewed by the Governance and Nominating Committee, and the Board.

9. No Rights Created

This mandate is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this mandate should comply with all applicable laws, regulations and listing requirements and North West's articles and by-laws, this mandate does not create any legally binding obligations on the Committee, the Board or North West.

Approved by the Board of Directors effective September 7, 2022.