
Mandate of the Patient Care and Quality Committee

Approved by the Board of Directors on November 12, 2024, with effect on January 1, 2025

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LOBLAW COMPANIES LIMITED
(the “Company”)
Mandate of the Patient Care and Quality Committee

1. RESPONSIBILITY

The Patient Care and Quality Committee (the “Committee”) is responsible for assisting the Board of Directors of the Company (“Board”) in fulfilling its responsibilities in relation to:

- i. overseeing the Company’s processes, policies, and procedures in connection with the delivery of quality pharmacy and healthcare services to patients (“Services”);
- ii. overseeing matters relating to patient safety, patient experience and healthcare practices;
- iii. monitoring risks and relevant mitigation strategies related to quality of patient care and safety; and
- iv. such other duties as may be delegated to the Committee by the Board.

2. MEMBERS

The Board shall appoint a minimum of three (3) directors to be members of the Committee, a majority of whom shall be independent. For the purpose of this Mandate, a director is “independent” if he or she would be independent within the meaning of applicable Canadian securities laws, as the same may be amended from time to time.

3. COMMITTEE ADVISORS

The Board shall appoint no less than two non-voting *ex-officio* members (“Advisors”) with relevant industry and healthcare expertise to assist the Committee with fulfilling its responsibilities. Such Advisors shall serve the Committee on terms to be determined at the discretion of the Committee.

4. CHAIR

Each year, the Board shall appoint one member to be Chair of the Committee who shall be an independent director. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed. The Board has adopted and approved a position description for the Chair which sets out their role and responsibilities.

5. TENURE

Each member shall hold office until their term as a member of the Committee expires or is terminated, or a successor is duly appointed.

6. QUORUM, REMOVAL AND VACANCIES

A majority of the Committee’s members shall constitute a quorum. Any member may be removed and replaced at any time by the Board. The Board may fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all powers so long as a quorum remains in office.

7. DUTIES

The Committee shall have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board:

(a) Quality Oversight and Quality Improvement

The Committee shall be responsible for overseeing the quality of care provided to patients by healthcare practitioners on behalf of the Company. The Committee shall review and monitor the Company's policies and practices relating to the delivery of Services. The Committee shall receive quarterly reporting from management with responsibility over such matters, including the President, Shoppers Drug Mart, the President, Lifemark, the Chief Medical Officer, and the Vice President, Compliance and Ethics, and such other members of management as the Committee deems necessary to fulfil its responsibilities. The Committee shall take such other actions and perform such oversight functions as may be referred to it from time to time by the Board, including the conduct of special reviews as it may deem necessary or appropriate to fulfil its responsibilities.

Specifically, in discharging its responsibilities, the Committee shall:

- i. monitor matters relating to the quality of healthcare delivered to patients and efforts to advance the quality of care, including reviewing: (a) indicators used to measure quality of care and patient safety; (b) reports received from management identifying and making recommendations regarding systemic or recurring quality of care issues; and (c) aggregated critical incident and safety reports;
- ii. oversee any risks related to the handling and dispensing of pharmaceuticals and the operation of pharmacies and shall monitor and assess the Company's effectiveness in managing such risks;
- iii. review the policies and procedures developed by the Company to promote the delivery of quality patient care and patient safety;
- iv. review, in conjunction with the Company's internal audit function, the development of internal systems and controls to carry out the Company's standards, policies and procedures relating to the quality of patient care, patient safety and the protection of patient information;
- v. review and approve the quantitative and qualitative performance metrics and benchmarks by which the quality of Services are monitored;
- vi. oversee management's efforts and initiatives to enhance patient experience and ensure that best practices information is supported by available scientific evidence is translated into materials and training that are provided to persons who provide Services on behalf of the Company; and
- vii. in conjunction with management, periodically evaluate current trends and new developments with respect to patient experience and quality care that may affect healthcare and practitioners.

(b) Critical Incidents and Risks

The Committee shall oversee any risks related to the delivery of Services and shall monitor and assess the Company's effectiveness in managing such risks. The Committee shall satisfy itself that management has taken appropriate actions to ensure that such risks are managed in accordance with best practices. The Committee shall:

- i. at least once per fiscal quarter, receive an aggregated critical incident report from management, and ensure that the proper action is taken by management to promptly address, prevent or remediate any systemic causes of such incidents;

- ii. review significant quality or patient safety risk areas and the steps management has taken to monitor, control and report such quality and patient safety risk exposures;
- iii. monitor the investigation of any complaints that raise material concerns about patient safety and the quality of care provided by healthcare practitioners on behalf of the Company; and
- iv. undertake such additional activities within the scope of its responsibilities as it shall deem appropriate in its discretion to ensure best practices with respect to the reporting of critical incidents are followed.

(c) Compliance

The Committee shall receive and review periodic reports from management on current and emerging issues and proposed legislation in respect of applicable legal and regulatory compliance matters as they may affect quality of patient care and shall bring to the attention of the Board such issues as it deems appropriate. The Committee shall review applicable accreditation reports and any plans that need to be implemented to improve performance and correct deficiencies.

8. REPORTING

The Committee shall report to the Board on:

- i. significant issues that arise with respect to the delivery of Services and patient safety;
- ii. aggregated reporting on critical incidents involving patient safety and quality of care and the Company's actions to avoid or reduce the risk of further critical incidents;
- iii. the Company's performance of its obligations and objectives relating to legal and regulatory compliance and ethics matters in respect of patient safety and the provision of the Services;
- iv. the management of those risks for which oversight has been delegated by the Board to the Committee pursuant to the enterprise risk management program; and
- v. all other material matters dealt with by the Committee.

9. FREQUENCY OF MEETINGS AND IN CAMERA SESSIONS

The Committee shall meet at least quarterly at the call of the Chair. Meetings may also be called by any member of the Committee or by the Secretary of the Committee. Following each regularly-scheduled meeting of the Committee, the Committee members shall meet *in camera*.

10. RETENTION OF EXPERTS

The Committee may engage such special legal, accounting or other experts, without Board approval and at the expense of the Company, as it considers necessary to perform its duties. The Committee shall be directly responsible for the appointment, compensation and oversight of any such expert's work.

11. REVIEW AND DISCLOSURE

This Mandate shall be reviewed by the Committee at least annually and be recommended to the Board for approval with such amendments as the Committee proposes.

This mandate shall be posted on the Company's website.