

PETIQ, INC.
AUDIT COMMITTEE CHARTER

I. Purpose

This charter governs the operations of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of PetIQ, Inc. (the “Company”). The Committee has overall responsibility for, among other matters, (1) appointing, retaining and evaluating our independent registered public accounting firm and approving all services to be performed by them; (2) overseeing our independent registered public accounting firm’s qualifications, independence and performance; (3) overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the Securities and Exchange Commission (the “Commission”); (4) reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements; (5) establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; and (6) reviewing and approving related person transactions.

II. Membership

The number of members of the Committee shall be determined by the Board and shall consist of three or more directors of the Company, each of whom shall, be “independent” under the rules of the NASDAQ Stock Market (“NASDAQ”), or otherwise eligible to serve on the Committee pursuant to applicable phase-in rules and exemptions, in each case as such requirements are interpreted by the Board in its business judgment. It shall be the responsibility of the Board to determine, in its judgment, whether a member is independent of management and free from any relationship or service to the Company that might interfere with his or her exercise of independent judgment in carrying out his or her responsibilities as a Committee member. In addition, a person may serve on the Committee only if he or she satisfies the independence requirements with Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Members of the Committee shall be versed in reading and understanding financial statements, and at least one member of the Committee shall be an “audit committee financial expert” under the rules and regulations of the Commission. A member who qualifies as an “audit committee financial expert” under the rules and regulations of the Commission is presumed to satisfy the NASDAQ requirements to have one financially sophisticated audit committee member. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any of its subsidiaries at any time during the past three years.

III. Organization and Procedures

The members of the Committee shall be appointed by the Board. Members shall be appointed annually for a term of one (1) year. If a Committee chairperson is not designated by the Board, the members of the Committee shall designate a chairperson by a majority vote. The chairperson shall preside over meetings of the Committee and may call special meetings, in addition to those regularly scheduled, and will report to the Board the actions and recommendations of the Committee.

The Committee shall have the authority to establish its own rules and procedures consistent with the bylaws of the Company for notice and conduct of its meetings should the Committee, in its discretion, deem it desirable to do so. A majority of the whole Committee shall constitute a quorum for the transaction of business. The vote of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee. Unless otherwise stated herein or established by the Committee, the Committee shall be governed by the same procedural rules, including rules regarding meetings, actions without meetings, notices and waivers of notice, as are applicable to the Board. The Committee shall maintain minutes of meetings.

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of legal counsel or other advisers as it deems necessary to fulfill its duties and responsibilities under this charter. The Committee shall set the compensation and oversee the work of any legal counsel or other adviser. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its legal counsel or other adviser as well as the Company's independent auditor. In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company. The Committee shall maintain minutes of meetings.

IV. Responsibilities

The Committee shall have the following authority and responsibilities:

Appointing and Retaining an Accounting Firm

1. Directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Committee;
2. Annually review and select the independent auditor and, when appropriate, replace the independent auditor.
3. Pre-approve all auditing services and permitted non-audit services to be performed for the Company by its independent auditor, other than de minimis services provided that the requirements pertaining to de minimis exceptions for non-audit services described in Section 10A of the Exchange Act are otherwise satisfied. By this charter, the Committee hereby delegates to the chairperson of the Committee, acting singly, the authority to pre-approve any audit services if the need for consideration of a pre-approval request arises between regularly scheduled meetings. Any such approvals shall be presented to the Committee at its next scheduled meeting or as soon thereafter as is practicable.

Overseeing the Accounting Firm

1. Review at least annually, reports from the independent auditors regarding the independent auditor's responsibilities under Public Company Accounting Oversight Board standards;
2. Review, evaluate and discuss formal written reports, at least annually, from the independent auditor regarding the auditor's independence, including a delineation of all relationships between the auditor and the Company and recommend to the Board actions to satisfy the Board of the independence of the auditor;
3. Review with the independent auditor (a) the independent auditor's audit plan scope, timing, staffing, locations, reliance upon management, internal auditors or others, including other independent public accounting firms (if applicable), and the general audit approach, and (b) the nature and extent of specialized skill or knowledge needed to perform audit procedures or evaluate audit results related to significant risk;
4. At least annually, obtain and review a report from the independent auditors describing (a) the independent auditors' internal quality control procedures and (b) any material issues raised by the most recent internal quality control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues.
5. Annually evaluate the independent auditor's qualifications, performance and independence, including the review and evaluation of such auditor's lead partner and shall consider the opinions of management, the internal auditors and the independent auditor while performing these responsibilities;
6. Review and discuss with the independent auditor the written independence disclosure required by the applicable requirements of the Public Company Accounting Oversight Board.
7. Review and discuss with the independent auditor on a periodic basis any other relationships or services (including permissible non-audit services) that may affect its objectivity and independence.
8. Confirm, at least annually, the rotation of the independent auditor's lead partner having primary responsibility for the audit and other audit partners responsible for the audit as required by applicable laws and regulations;
9. Consider whether the Company should rotate the independent auditor on a regular basis;
10. Conduct any investigation appropriate to fulfilling its responsibilities and have direct access to the independent auditor as well as anyone in the Company;
11. Present its conclusions regarding the independent auditor to the full Board; and
12. Set hiring policies governing the Company's hiring of employees or former employees of the Company's independent auditor.

Overseeing Financial Reporting

1. Review and discuss the quarterly financial statements, prior to the statements' filing or distribution, with management and the independent auditor, including reviewing the Company's specific disclosures under the Management Discussion and Analysis section of the Form 10-Q;
2. Review and discuss annual audited financial statements, prior to the statements' filing or distribution, with management and the independent auditor, including reviewing the Company's specific disclosures under the Management Discussion and Analysis section of the Form 10-K;
3. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls;
4. Prepare and approve the audit committee report required to be included in the Company's annual proxy statement;
5. Discuss the results of the quarterly review or annual audit, as applicable, with the independent auditor prior to releases of the quarterly and year-end earnings; and
6. Review, with management and the independent auditor, filings with the Commission and other published documents containing the Company's financial statements and consider whether the information contained in the documents is consistent with the information contained in the financial statements.

Reviewing Accounting Principals

1. Establish an appropriate control process for reviewing and approving the Company's internal transactions and accounting;
2. Discuss with management and the independent auditor, at least annually, (a) significant accounting policies and practices of the Company, (b) any significant changes in the Company's selection or application of significant accounting policies and practices and the effects of alternative generally accepted accounting principles ("GAAP") methods, off-balance sheet structures and regulatory and accounting initiatives, (c) the qualitative aspects of such significant accounting policies and practices, and (d) the anticipated application of significant accounting pronouncements that have been issued but are not yet effective;
3. Review and discuss, at least annually, with management and the independent auditor (a) critical accounting policies and practices of the Company, (b) all material alternative accounting treatments permissible under GAAP that have been discussed by the independent auditor and management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor, (c) other material written communications between the independent auditor and

management, such as any management letter and any written representation requested from management by the independent auditor, and (d) any other matters required to be communicated to the Committee by the independent auditor under professional standards, including any matters required to be communicated under the *Public Company Accounting Oversight Board Auditing Standards No. 16, Communications with Audit Committees*;

4. Review management's assessment of the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year and the independent auditors' opinion and report thereon;
5. Review and discuss earnings press releases, paying particular attention to any use of pro forma or adjusted non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies, with management and the independent auditor, prior to the release of earnings;
6. Discuss with management the process for assessing and managing risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
7. Review with the Company's general counsel (or outside counsel if the Company does not have a general counsel) and the independent auditors, as appropriate, any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or government agencies and advise the Board of its findings; and
8. Regularly report to the Board and review with the full Board any issues that arise concerning: (a) the quality or integrity of the Company's financial statements; (b) the Company's compliance with legal or regulatory requirements; (c) the performance and independence of the Company's independent auditor; or (d) the performance of the internal audit function.

Complaint Procedures

1. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other Responsibilities

1. Review and approve related party transactions.

The Committee also shall undertake such additional activities within the scope of its primary function as the Board or the Committee may from time to time determine or as may otherwise be required by law, the Board or the Company's bylaws or charter.

The Committee shall review this Charter at least annually and recommend any proposed

changes to the Board for approval. The Committee shall annually perform, or participate in, an evaluation of the performance of the Committee against the requirements of this charter, the results of which shall be presented to the Board.

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Effective _____, 2017