

Pets at Home Group Plc **Annual General Meeting**

Tuesday, 11 July 2017
Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK, SOLICITOR, ACCOUNTANT, FUND MANAGER OR OTHER APPROPRIATE INDEPENDENT FINANCIAL ADVISER.

If you have sold or otherwise transferred all of your shares in Pets at Home Group Plc (the “Company”), you should send this document together with the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the Company will be held at the Hilton Hotel, 303 Deansgate, Manchester, M3 4LQ on Tuesday, 11 July 2017 at 11.00 am for the following purposes and to consider, and if thought fit, to pass the following resolutions, of which resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions and resolutions 12 to 15 (inclusive) will be proposed as special resolutions.

Ordinary resolutions

1. To receive the Company's audited financial statements for the financial year ended 30 March 2017, together with the Directors' reports and the auditor's reports set out in the annual report for the year ended 30 March 2017 (the "2017 Annual Report").
2. To approve the Directors' remuneration report (other than the part containing the Directors' remuneration policy) for the year ended 30 March 2017, as set out on pages 105 to 112 of the 2017 Annual Report.
3. To approve the Directors' remuneration policy, as set out on pages 92 to 104 of the 2017 Annual Report.
4. To approve the Pets at Home Group Plc Restricted Stock Plan (the "RSP"), as an employee share scheme in accordance with section 1166 of the Companies Act 2006, the principal terms of which are summarised in the Explanatory Notes below, and to authorise the Directors of the Company to do all such things as may be necessary to carry the RSP into effect.
5. To declare a final dividend recommended by the Directors of 5.0 pence per ordinary share for the year ended 30 March 2017.
6. By separate resolutions, to re-elect the following individuals as Directors of the Company:

6A Tony DeNunzio	6D Tessa Green
6B Dennis Millard	6E Paul Moody
6C Ian Kellett	
7. By separate resolutions, to elect the following individuals as Directors of the Company:

7A Sharon Flood	7C Michael Iddon
7B Stanislas Laurent	7D Nicolas Gheysens
8. To re-appoint KPMG LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.
9. To authorise the Directors to set the fees paid to the auditor of the Company.
10. That, in accordance with section 551 of the Companies Act 2006 (the "Act"), the Directors be and are generally and unconditionally authorised to allot shares in the Company, or to grant rights to subscribe for or to convert any security into shares in the Company ("Rights"):
 - (i) up to an aggregate nominal amount of £1,666,666; and
 - (ii) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £3,333,333 (such amount to be reduced by the aggregate nominal amount of any allotments or grants made under paragraph (i) of this resolution) in connection with an offer by way of rights issue:
 - (a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (b) to holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of any territory or any other matter,

such authorities to expire at the conclusion of the Company's next Annual General Meeting after this resolution is passed or, if earlier, at the close of business on 11 October 2018, but, in each case, so that the Company may make offers or agreements before the authority expires which would or might require shares to be allotted or Rights to be granted after the authority expires, and so that the Directors may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

11. That, in accordance with sections 366 and 367 of the Act, the Company and its subsidiaries as at any time during the period for which this resolution has effect be and are authorised to:

- (i) make political donations to political parties and/or independent election candidates, not exceeding £100,000 in total;
- (ii) make donations to political organisations other than political parties, not exceeding £100,000 in total; and
- (iii) incur political expenditure, not exceeding £100,000 in total,

For the purposes of this authority “political parties”, “independent election candidates”, “political organisation” and “political expenditure” have the meanings given by sections 363 to 365 of the Act. The authority conferred under this resolution shall expire at the conclusion of the Company’s next Annual General Meeting after this resolution is passed.

Special resolutions

12. That, subject to the passing of resolution 10, in accordance with sections 570 and 573 of the Act, the Directors be and are generally empowered to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authorities granted by resolution 10 and/or sell ordinary shares held by the Company as if section 561 of the Act did not apply to any such allotment or sale provided that this power shall be limited:

- (i) to the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph (ii) of resolution 10, such power shall be limited to the allotment of equity securities in connection with an offer by way of rights issue only):
 - (a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (b) to holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of any territory or any other matter; and

- (ii) to the allotment (otherwise than in the circumstances set out in paragraph (i) of this resolution) of equity securities or sale of treasury shares pursuant to the authority granted by paragraph (i) of resolution 10 up to an aggregate nominal amount of £250,000,

such power to expire at the conclusion of the Company’s next Annual General Meeting after this resolution is passed or, if earlier, at the close of business on 11 October 2018, but so that the Company may make offers or agreements before the power expires which would or might require equity securities to be allotted (and/or treasury shares to be sold) after the power expires and so that the Directors may allot equity securities (and/or sell treasury shares) in pursuance of any such offer or agreement notwithstanding that the power conferred by this authority has expired.

13. That, subject to the passing of resolution 10, in accordance with sections 570 and 573 of the Act, the Directors be and are generally empowered in addition to any authority granted under resolution 12 to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by resolution 10 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale provided that this power shall be:

- (i) limited to the allotment of equity securities or sale of treasury shares pursuant to the authority granted by paragraph (i) of resolution 10 up to an aggregate nominal amount of £250,000; and
- (ii) used only for purposes of financing (or refinancing, if the authority is to be used within 6 months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such power to expire at the conclusion of the Company’s next Annual General Meeting after this resolution is passed or, if earlier, at the close of business on 11 October 2018, but so that the Company may make offers or agreements before the power expires which would or might require equity securities (and/or treasury shares to be sold) to be allotted after the power expires and so that the Directors may allot equity securities (and/or sell treasury shares) in pursuance of any such offer or agreement notwithstanding that the power conferred by this authority has expired.

14. That the Company be and is generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693 of the Act) of ordinary shares in the capital of the Company provided that:
- (i) the maximum aggregate number of ordinary shares authorised to be purchased is 50,000,000;
 - (ii) the minimum price which may be paid for an ordinary share is the nominal value of an ordinary share at the time of such purchase;
 - (iii) the maximum price which may be paid for an ordinary share is not more than the higher of:
 - (a) 105 per cent. of the average of the middle market quotation for an ordinary share as derived from the London Stock Exchange plc's Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
 - (b) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out,in each case, exclusive of expenses;
 - (iv) unless previously varied, revoked or renewed this authority shall expire at the conclusion of the Company's next Annual General Meeting after this resolution is passed or, if earlier, at the close of business on 11 October 2018;
 - (v) the Company may make a contract of purchase of ordinary shares under this authority which would or might be executed wholly or partly after the expiry of this authority, and may make a purchase of ordinary shares in pursuance of any such contract; and
 - (vi) any ordinary shares purchased pursuant to this authority may either be held as treasury shares or cancelled by the Company, depending on which course of action is considered by the Directors to be in the best interests of shareholders at the time.
15. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

Recommendation

Your board of Directors (the "Board") believe that each of the resolutions to be proposed at the Annual General Meeting is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of all of the resolutions proposed, as the Directors intend to do in respect of their own beneficial holdings.

BY ORDER OF THE BOARD

Louise Stonier
Group Company Secretary
Pets at Home Group Plc
9 June 2017

Registered Office:
Epsom Avenue
Stanley Green Trading Estate
Handforth
Cheshire
SK9 3RN

Registered in England and Wales
Registered Number: 8885072

Explanatory notes to the proposed resolutions

Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions, which means that for each of those resolutions to be passed, more than half the votes cast must be cast in favour of the resolution. Resolutions 12 to 15 (inclusive) will be proposed as special resolutions, which means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be cast in favour of the resolution.

Resolution 1 – Receipt of 2017 Annual Report

The Directors are required to lay the Company's audited financial statements and the Directors' and auditor's reports before shareholders each year at the Annual General Meeting ("AGM"). The audited financial statements and the Directors' and auditor's reports for the year ended 30 March 2017 are included in the 2017 Annual Report.

Resolutions 2 and 3 – Approval of Directors' remuneration report and Directors' remuneration policy

The Directors' remuneration report (the "Directors' Remuneration Report") is presented in three sections:

- the annual statement from the Chairman of the Remuneration Committee;
- the annual report on remuneration; and
- the Directors' remuneration policy.

The annual statement from the Chairman of the Remuneration Committee, set out on pages 90 to 92 of the 2017 Annual Report, summarises, for the year ended 30 March 2017, the major decisions taken on Directors' remuneration, any substantial changes relating to Directors' remuneration made during the year, and the context in which those changes occurred and decisions have been taken.

The annual report on remuneration, set out on pages 105 to 112 of the 2017 Annual Report, provides details of the remuneration paid to Directors in respect of the year ended 30 March 2017, including base salary, taxable benefits, short-term incentives (including percentage deferred), long-term incentives vested in the year, pension-related benefits, any other items in the nature of remuneration and any sum(s) recovered or withheld during the year in respect of amounts paid in earlier years.

The Directors' remuneration policy, set out on pages 92 to 104 of the 2017 Annual Report, provides details of the Company's proposed policy on Directors' remuneration (including the proposed policy on payments for loss of office).

The Directors' Remuneration Report (other than the part containing the Directors' remuneration policy) is subject to an annual advisory shareholder vote by way of an ordinary resolution; Resolution 2 is to approve the Directors' Remuneration Report (other than the part containing the Directors' remuneration policy).

The Directors' remuneration policy is subject to a binding shareholder vote by way of an ordinary resolution, at least once every three years; Resolution 3 is to approve the Directors' remuneration policy. The Directors' remuneration policy will, subject to shareholder approval, take effect from the conclusion of the AGM. Payments (including payments for loss of office) will continue to be made to the current and any former Directors in line with existing contractual arrangements until this time.

Once the Directors' remuneration policy takes effect, all remuneration payments and payments for loss of office made by the Company to the current and any former Directors must be consistent with the Directors' remuneration policy or, if inconsistent with the Directors' remuneration policy, must have been separately approved by way of an ordinary resolution of the shareholders in accordance with the relevant provisions of the Act.

If the Directors' remuneration policy is approved and remains unchanged, it will be valid for up to three years without a new shareholder approval. If the Company wishes to change the Directors' remuneration policy, it must first seek the approval of the proposed revised Directors' remuneration policy from the shareholders before it can implement the proposed new Directors' remuneration policy.

Resolution 4 – Restricted Stock Plan

In accordance with Listing Rule 9.4.1(2), this resolution seeks shareholder approval for the adoption of a new employee share scheme, being the Pets at Home Group plc Restricted Stock Plan (the "RSP"). The principal terms of the RSP are summarised below. A full copy of the RSP rules are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the Company's registered offices from today's date until the close of the AGM. The rules will also be available for inspection at the place of the AGM for at least 15 minutes prior to the start of and during the meeting.

Summary of the principal terms of the RSP

(a) Eligibility

All employees of the Company and its subsidiaries (the "Group") (including executive directors who are employees) are eligible to participate in the RSP (the "Qualifying Employees"), subject to the absolute discretion of the Remuneration Committee of the Board (the "Committee").

(b) Type of Awards

The RSP provides for the grant of nil cost awards to acquire ordinary shares in the capital of the Company (whether by purchase or subscription) (the "Shares") in such form as the Committee shall determine in its absolute discretion, including in the form of options and/or conditional share awards (together the "Awards").

(c) Grant of Awards

Awards may be granted during the period of 42 days from the date on which the RSP is adopted or within any 42 day period following (i) the announcement of the Company's results for any financial period; (ii) the commencement date of a Qualifying Employee's employment with the Group or (iii) the occurrence of an exceptional event relating to or affecting the Company or Group. No Awards may be granted more than 10 years after the adoption of the RSP.

(d) Company Dilution Limits

The number of Shares over which Awards to subscribe for Shares may be granted under the RSP on any date shall be limited so that:

- (i) the total number of Shares issued and issuable in respect of awards granted in any rolling ten year period under the RSP and any other discretionary share incentive scheme operated by the Group is restricted to five (5) per cent. of the Company's Shares in issue calculated at the relevant time; and
- (ii) the total number of Shares issued and issuable pursuant to rights granted under any employee share scheme operated by the Company in any rolling ten year period is restricted to ten (10) per cent. of the Company's Shares in issue calculated at the relevant time.

For the purposes of these limits (and for the avoidance of doubt) no account will be taken of options or awards which were granted in connection with the Company's admission to trading on the main market of the London Stock Exchange, nor options or awards that have lapsed or otherwise ceased to be capable of exercise and no account will be taken of options or awards granted over (or in respect of) Shares purchased (or to be purchased) in the market by the trustee of an employee benefit trust.

(e) Individual Limits

Awards may be granted on an annual basis. However, the maximum original market value of Shares granted under the RSP to a Qualifying Employee in any financial year may not exceed 75 per cent. of the Qualifying Employee's annual salary for that year.

(f) Vesting/Financial Underpin

Awards will be granted to the Company's executive directors subject to the satisfaction of a financial underpin measured over a minimum of three financial years (the "Measurement Period"). If the financial underpin is satisfied, (i) 50% of the Award will vest and become exercisable on the third anniversary of grant, (ii) 25% of the Award will vest and become exercisable on the fourth anniversary of grant and (iii) 25% of the Award will vest and become exercisable on the fifth anniversary of grant, in each case subject to continued employment with the Group.

If the financial underpin is not satisfied at the end of the relevant Measurement Period, then there will be no re-testing and the Awards relating to that grant will lapse and cease to be exercisable in their entirety.

It is currently proposed that the first Awards granted under the RSP to the Company's executive directors following its adoption, will be granted subject to a financial underpin that requires absolute Total Shareholder Return ("TSR") to be positive over the Measurement Period. If absolute TSR is negative at the end of the Measurement Period, the proposed Awards will lapse and cease to be exercisable in their entirety.

Subsequent Awards (and/or Awards granted to colleagues outside of the executive directors) may be granted subject to different financial underpins, which shall be determined by the Committee, in its absolute discretion, on or prior to the relevant date of grant.

If events occur which cause the Committee to reasonably believe that the original financial underpin is no longer a fair measure of performance, then it may be amended or waived in such manner as may be fair and reasonable in the Committee's discretion provided that any amended financial underpin cannot be more difficult to achieve than the original financial underpin was considered to be when it was first set.

(g) Cessation of Employment

Awards will normally only vest if the award holder is still an employee of the Group and all subsisting Awards will lapse (vested or otherwise) on cessation of employment save in the circumstances set out below.

If an award holder ceases to be an employee by reason of (i) death, (ii) ill-health, injury or disability (iii) retirement (iv) the sale of the business or the company in the Group for which they work and (v) any other circumstances approved by the Committee in its absolute discretion then he or she shall be treated as a 'good leaver'. Good leavers will be entitled to (a) retain their vested Awards and (b) retain their unvested Awards until the normal vesting date at which point their Awards will vest subject to the satisfaction of any financial underpin in the usual way and subject to a pro-rata reduction to the number of Shares subject to the Award by reference to the time that has elapsed between the relevant date of grant and the relevant date of cessation. The Committee also has discretion to (i) permit accelerated vesting (i.e. vesting earlier than the normal vesting date) and/or (ii) to disapply the pro-rata reduction.

(h) Malus and Clawback

All Awards will be granted subject to malus provisions. In addition, Awards granted to members of the executive management team (including to the executive directors) and/or any other colleague who is considered to be sufficiently senior by the Committee in its absolute discretion, will be granted subject to clawback provisions, commencing on the date of grant and ending two years following vesting.

Malus and Clawback will be applied in the event of:

- a material misstatement of audited results;
- serious financial irregularity;
- any circumstances justifying summary dismissal of a participant from his office or employment with a member of the Group including, but not limited to, dishonesty, fraud, misrepresentation or breach of trust; and/or
- any material breach of a participant's terms and conditions of employment and/or any material violation of Company policy, rules or regulation.

Malus and Clawback will continue to apply to any Awards held by leavers and/or any Awards exercised in connection with a Change of Control.

(i) Corporate Events/Change of Control

Awards will vest on an accelerated basis in the event of a change of control of the Company (whether by way of general offer or scheme of arrangement or otherwise) as well as in the event of a voluntary winding up of the Company (the "Relevant Event"). In such circumstances the Committee shall determine the extent to which the Awards shall vest taking account of (i) the time that has elapsed since the relevant date of grant; (ii) the amount of progress made by the award holder/Company towards meeting any financial underpin attaching to the Awards (iii) the likelihood of the financial underpin being met had the Relevant Event not taken place and (iv) any other factors that the Committee considers, in its absolute discretion, to be relevant. For the avoidance of doubt, having taken the foregoing into account, the Committee is permitted to allow accelerated vesting in full.

(j) Variation of Share Capital

In the event of a capitalisation issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision or reduction or other variation of the Company's capital, the number of Shares the subject of an Award and/or the price payable on vesting (if any) may be adjusted by the Board of Directors (following consultation with the Committee) in such a way as the Committee considers to be fair and reasonable.

(k) Amendments and General

No rights under an Award may be transferred by an award holder to any other person except in the event of an award holder's death. Awards granted under the RSP shall not be pensionable.

The RSP may be amended by the Board of Directors (following consultation with the Committee) in any way provided that:

- no amendment may be made which would materially prejudice the interests of award holders in relation to Awards already granted to them under the RSP unless the sanction of award holders has been obtained;
- all amendments to the advantage of award holders to the provisions relating to the definition of Qualifying Employee, the Company and/or individual limits on the number of Shares subject to Awards, the leaver provisions and the provisions relating to change of control and/or the provisions relating to the variation of share capital will require the prior consent of the Company in general meeting unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for award holders, the Company or a member of the Group; and
- the Board of Directors of the Company may amend the RSP by way of separate schedules to enable it to be operated overseas.

Note: The above is a summary of the principal terms of the proposed RSP. The Board of Directors reserve the right (up to the time of the Annual General Meeting) to make such amendments and additions to the rules of the RSP as they may consider necessary or desirable provided that such amendments and additions do not conflict in any material respect with the summary set out above.

Resolution 5 – Declaration of final dividend

The Board is recommending, and the shareholders are being asked to approve, the declaration of a final dividend of 5.0 pence per ordinary share for the year ended 30 March 2017. The final dividend will, subject to shareholder approval, be paid on 14 July 2017 to the holders of ordinary shares whose names are recorded on the register of members of the Company at the close of business on 16 June 2017.

Resolutions 6A, 6B, 6C, 6D, 6E, and 7A, 7B, 7C and 7D – Individual re-election/election of Directors

In accordance with the UK Corporate Governance Code (the “Code”) and the Articles, every Director will stand for re-election at the AGM. Biographical details of each Director can be found on pages 60 and 70 to 71 of the 2017 Annual Report. Over half of the Directors standing for re-election/election are non-executive directors whom are considered independent under the Code.

Brian Carroll, a non-executive director of the Company resigned on 2nd December 2016 and will not be standing for re-election.

Nicolas Gheysens, a director at KKR & Co LP, was appointed as a non-executive Director on 2 December 2016 and is therefore standing for election at the AGM.

Amy Stirling, an independent non-executive Director and Chair of the Audit Committee and Paul Coby an independent non-executive Director have resigned as Directors with effect from the close of the AGM on 11th July 2017 and will not be standing for re-election at the AGM.

Stanislas Laurent and Sharon Flood have both been appointed as independent non-executive Directors with effect from 25 May 2017 and are therefore both standing for election at the AGM. Sharon Flood will also chair the Audit and Risk Committee with effect from the close of the AGM on 11 July 2017.

Resolution 8 – Re-appointment of auditor

The Company is required to appoint an auditor at each general meeting at which accounts are laid before shareholders, to hold office until the next such meeting.

The Audit Committee has reviewed the effectiveness, performance, independence and objectivity of the existing external auditor, KPMG LLP, on behalf of the Board, and concluded that the external auditor was in all respects effective.

Resolution 9 – Authority to agree auditor’s remuneration

This resolution authorises the Directors, in accordance with standard practice, to negotiate and agree the fees to be paid to the auditor. In practice, the Audit Committee will consider and approve the remuneration of the auditor on behalf of the Board.

Resolution 10 – Authority to allot shares

This resolution seeks shareholder approval to grant the Directors the authority to allot shares in the Company, or to grant rights to subscribe for or convert any securities into shares in the Company (“Rights”) pursuant to section 551 of the Act (the “Section 551 authority”). The authority contained in paragraph (i) of the resolution will be limited to an aggregate nominal amount of £1,666,666, being approximately one-third of the Company’s issued ordinary share capital as at 9 June 2017.

In line with guidance issued by the Investment Association, paragraph (ii) of this resolution would give the Directors authority to allot shares in the Company or grant Rights in connection with a rights issue up to aggregate nominal amount of £3,333,333, representing approximately two-thirds of the Company’s issued ordinary share capital as at 9 June 2017, as reduced by the aggregate nominal amount of any allotments or grants under paragraph (i) of this resolution.

The Company does not hold any shares in treasury.

If approved, the Section 551 authority shall, unless renewed, revoked or varied by the Company, expire at the end of the Company’s next AGM after the resolution is passed or, if earlier, at the close of business on 11 October 2018. The exception to this is that the Directors may allot shares or grant Rights after the authority has expired in connection with an offer or agreement made or entered into before the authority expired. The Directors have no present intention to exercise the Section 551 authority.

Resolution 11 – Authority to make political donations and expenditure

The Company does not make, and does not intend to make, any political donations (to political parties or other political organisations) or incur political expenditure. However, the Company may from time to time make donations to animal welfare organisations, societies and charities. As the law in this area is widely drafted, it could prohibit these activities unless the Company has first obtained shareholder approval.

Resolutions 12 & 13– Partial disapplication of pre-emption rights

This resolution seeks shareholder approval to grant the Directors the power to allot equity securities of the Company pursuant to section 570 and 573 of the Act (the “Section 570 and 573 power”) without first offering them to existing shareholders in proportion to their existing shareholdings.

The power in resolution 12 will be limited to allotments (i) for cash in connection with pre-emptive offers, subject to any arrangements that the Directors consider appropriate to deal with fractions and overseas requirements and (ii) otherwise for cash up to a maximum nominal value of £250,000, representing 5 per cent. of the Company’s issued ordinary share capital as at 9 June 2017, which is in accordance with the relevant shareholder guidelines applicable to the Company.

Resolution 13 would give the Directors authority to allot a further 5 per cent. of the Company’s issued ordinary share capital as at 9 June 2017 for the purposes of financing a transaction which the Directors determine to be an acquisition or other capital investment contemplated by the Pre-Emption Group’s Statement of Principles (as updated in May 2016) (the “Statement of Principles”).

The disapplication authorities under resolutions 12 and 13 are in line with the authorities sought at the AGM last year and the guidance set out in the Statement of Principles.

The Statement of Principles allow a board to seek authority from its shareholders to allot shares for cash otherwise than in connection with a pre-emptive offer representing (i) up to 5 per cent of a company's issued share capital for use on an unrestricted basis and (ii) up to a further 5 per cent. of a company's issued share capital for use in connection with an acquisition or specified capital investment announced either contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

When the additional 5 per cent. disapplication authority is used, the Company intends to disclose, in the announcement regarding the issue, the circumstances that have led to its use and the consultation process undertaken. In addition, where the Company undertakes a placing using the disapplication of pre-emption rights, the Company intends to publish in the next annual report:

- a. the actual level of discount achieved;
- b. the net proceeds raised;
- c. how those net proceeds were used; and
- d. the percentage increase in issued share capital due to non-pre-emptive issuance for cash over the three-year period preceding the issue.

If approved, the Section 570 and 573 power shall apply until the end of the Company's next AGM after the resolution is passed or, if earlier, until the close of business on 11 October 2018. The exception to this is that the Directors may allot equity securities after the power has expired in connection with an offer or agreement made or entered into before the power expired. The Directors have no present intention to exercise the Section 570 and 573 power.

Resolution 14 – Authority to purchase own shares

This resolution seeks shareholder approval to grant the Company the authority to purchase its own shares pursuant to sections 693 and 701 of the Act.

This authority will be limited to an aggregate maximum number of 50,000,000 ordinary shares, representing 10 per cent. of the Company's issued share capital as at 9 June 2017.

The maximum price which may be paid for an ordinary share will be an amount which is not more than the higher of (i) 5 per cent. above the average of the middle market quotation for an ordinary share as derived from the London Stock Exchange Plc's Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case, exclusive of expenses).

If approved, the authority shall, unless varied, revoked or renewed, expire at the end of the Company's next AGM after the resolution is passed or, if earlier, at the close of business on 11 October 2018. The Directors have no present intention of exercising all or any of the powers conferred by this resolution and will only exercise their authority if it is in the best interests of shareholders generally.

As at 9 June 2017, the Company had granted options and awards under its colleague share plans over in aggregate 16,723,802 ordinary shares (assuming full vesting and exercise). This represents 3.34 per cent. of the Company's issued share capital as at 9 June 2017. If the Company were to buy back the maximum number of ordinary shares allowed under the authority under this resolution, and then cancel those shares, the total number of options and awards would represent approximately 3.72 per cent. of the Company's issued share capital as at 9 June 2017.

Resolution 15 – Notice period for general meetings other than AGMs

This resolution seeks shareholder approval to allow the Company to continue to call general meetings (other than AGMs) on 14 clear days' notice. In accordance with the Companies (Shareholders' Rights) Regulations 2009, the notice period required for general meetings of the Company is 21 days unless shareholders approve a shorter notice period (subject to a minimum period of 14 clear days). AGMs will continue to be held on at least 21 clear days' notice.

If approved, the approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company intends to only use the shorter notice period where the flexibility would be helpful given the business of the meeting and where the Company considers it is to the advantage of shareholders as a whole.

In accordance with the Act, the Company must make a means of electronic voting available to all shareholders for that meeting in order to be able to call a general meeting on less than 21 clear days' notice.

Explanatory notes as to the proxy, voting and attendance procedures at the Annual General Meeting

1. The holders of ordinary shares in the Company are entitled to attend the Annual General Meeting and are entitled to vote. A member entitled to attend and vote may appoint a proxy to exercise all or any of their rights to attend, speak and vote at a general meeting of the Company. Such a member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. A proxy need not be a member of the Company.
2. A form of proxy is enclosed with this notice. To be effective, a form of proxy must be completed and returned, together with any power of attorney or authority under which it is completed or a certified copy of such power or authority, so that it is received by the Company's registrars at the address specified on the form of proxy by 11.00 am on 7 July 2017 (or, in the event of an adjournment, not less than 48 hours before the stated time of the adjourned meeting (excluding any part of a day that is not a working day)). Returning a completed form of proxy will not preclude a member from attending the meeting and voting in person.
3. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in paragraphs 1 and 2 can only be exercised by ordinary shareholders of the Company.
4. To be entitled to attend and vote at the Annual General Meeting (and for the purposes of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 6.00 pm on 7 July 2017 (or, in the event of an adjournment, by 6.00 pm, on the date which is two days before the stated time of the adjourned meeting (excluding any part of a day that is not a working day)). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. As at 9 June 2017, the Company's issued share capital consists of 500,000,000 ordinary shares of £0.01 each, carrying one vote each. Therefore, the total voting rights in the Company as at 9 June 2017 are 500,000,000.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must in order to be valid be transmitted so as to be received by the issuer's agent (ID 3RA50) by 11.00 am on 7 July 2017 (or, in the event of an adjournment, not less than 48 hours before the stated time of the adjourned meeting (excluding any part of a day that is not a working day)). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertified Securities Regulations 2001.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

11. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holders.

12. Any member holding ordinary shares attending the meeting has the right to ask questions. The Company must answer any such questions relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. A copy of this notice, and other information required by section 311A of the Act, can be found at <https://investors.petsathome.com>.
14. You may not use an electronic address provided in either this notice of Annual General Meeting or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated.
15. The following documents will be available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) from the date of this notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for 15 minutes prior to and during the meeting:
- (a) copies of all service agreements under which Directors of the Company are employed by the Company or any subsidiary;
 - (b) a copy of the terms of appointment of the non-executive Directors of the Company; and
 - (c) a copy of the Pets at Home Group Plc Restricted Stock Plan.
16. The Directors have determined that all of the resolutions to be put to a vote at the Annual General Meeting will be decided on a poll.



Pets at Home Group Plc

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