

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

Thursday, 9 July 2020  
Notice of Annual General Meeting

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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 ("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.

# COVID-19

In light of the COVID-19 pandemic, new laws have been introduced to prevent non-essential travel and public gatherings, save for limited purposes. The new laws mean that this year's AGM is expected to be held in a different format to previous years and the Board has decided, in the interests of public safety, that shareholders will not be permitted to attend this year's AGM in person.

**Please be mindful of your own safety and that of others and do not travel to the AGM. Should any shareholder try to gain access to the AGM in person, they will be denied access to the meeting in order to protect public safety.**

The AGM will still go ahead, in order to satisfy legal requirements, at Pets at Home's Support Office, with the minimum two shareholders physically present (facilitated by Pets at Home) in order to satisfy quorum requirements under the Articles of Association.

The Board will continue to monitor developments and should changes to the AGM arrangements be required, shareholders will be informed as soon as possible, via our website and by RNS – please monitor both carefully.

Shareholders will still be able to ensure their votes are counted by submitting proxies in advance, either online or by post.

The Board is inviting shareholders to submit questions in advance of the AGM, and answers to questions on key themes will be made available on our website – <https://investors.petsathome.com> as soon as practically possible.

Further details of how to vote and submit questions in advance of the AGM can be found on page 9.

# Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the Company will be held at Pets at Home, Chester House, Stanley Green Trading Estate, Handforth, Cheshire, SK9 3RN on Thursday, 9 July 2020 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 16 (inclusive) will be proposed as special resolutions.

## Ordinary resolutions

1. To receive the Company's audited financial statements for the financial year ended 26 March 2020, together with the Directors' reports and the auditor's reports set out in the annual report for the year ended 26 March 2020 ("2020 Annual Report").
2. To approve the Directors' remuneration report for the year ended 26 March 2020, as set out on pages 121 to 132 of the 2020 Annual Report.
3. To approve the Directors' remuneration policy, as set out on pages 115 and 120 of the 2020 Annual Report.
4. To declare a final dividend recommended by the Directors of 5 pence per ordinary share for the year ended 26 March 2020.
5. By separate resolutions, to re-elect the following individuals as Directors of the Company:

5A Peter Pritchard	5D Sharon Flood
5B Mike Iddon	5E Stanislas Laurent
5C Dennis Millard	5F Susan Dawson
6. To elect Ian Burke as Director of the Company.
7. 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.
8. To authorise the Directors to set the fees paid to the auditor of the Company.
9. That, in accordance with section 551 of the Companies Act 2006 ("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 8 October 2021, 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.
10. 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.
11. 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 and Appendix 3 below, and to authorise the Directors of the Company to do all such things as may be necessary to carry the RSP into effect.

### Special resolutions

12. That, subject to the passing of resolution 9, 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 9 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 9, 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 9 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 8 October 2021, 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 9, 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 9 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 9 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 8 October 2021, 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 8 October 2021;
  - 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.
16. That the Articles of Association set out in the document produced to this meeting (and initialled by the Chairman of the meeting for the purposes of identification) be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.

#### **Recommendation**

Your board of Directors ("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**

Lucy Williams  
Group Company Secretary  
Pets at Home Group Plc  
2 June 2020

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 16 (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 2020 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 26 March 2020 are included in the 2020 Annual Report.

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

The Directors' remuneration report ("Directors' Remuneration Report") is subject to an annual advisory shareholder vote by way of an ordinary resolution. Resolution 2 is to approve the Directors' Remuneration Report.

The annual statement from the Chairman of the Remuneration Committee, set out on pages 112 to 114 of the 2020 Annual Report, summarises, for the year ended 26 March 2020, 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 121 to 132 of the 2020 Annual Report, provides details of the remuneration paid to Directors in respect of the year ended 26 March 2020, 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, all in accordance with the remuneration policy that was approved by shareholders at the 2017 Annual General Meeting.

The Directors' remuneration policy, set out on pages 115 to 120 of the 2020 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 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 with the changes outlined on pages 115 to 120 of the 2020 Annual Report. 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 – Declaration of final dividend**

The Board is recommending, and the shareholders are being asked to approve, the declaration of a final dividend of 5 pence per ordinary share for the year ended 26 March 2020. The final dividend will, subject to shareholder approval, be paid on 14 July 2020 to the holders of ordinary shares whose names are recorded on the register of members of the Company at the close of business on 19 June 2020.

## **Resolutions 5A, 5B, 5C, 5D, 5E, 5F and 6 – Individual re-election/election of Directors**

In accordance with the UK Corporate Governance Code ("Code") and the Articles, every Director will stand for re-election/election at the AGM.

Following the outcome of the Board Evaluation process, the Nominations Committee concluded that each Director is effective in, and continues to show commitment to, their roles. The Board therefore recommends the proposed re-elections be approved. Biographical details for each Director, together with the reasons why their contributions are, and continue to be, important to the Company's long-term sustainable success, are set out in Appendix 1 and on pages 92 and 93 of the Annual Report.

Over half of the Directors standing for re-election/election are non-executive directors whom are considered independent under the Code.

Ian Burke was appointed as Non-Executive Chairman designate on 27 March 2020 and took over from Tony DeNunzio as Non-Executive Chairman on 21 May 2020 following Tony's resignation. Ian is therefore standing for election at the AGM. Ian has been chair of Studio Retail Group plc since 2017 and is also a non executive senior independent director of intu properties plc, where he has been a member of various board committees since 2018. Ian has extensive board experience; past board positions include CEO of Thistle Hotels, Chair of the privately owned veterinary group Vet Partners, and a long tenure on the board at Rank Group plc. as non executive chair, executive chair and CEO.

Tony DeNunzio, Non-Executive Chairman resigned with effect from 21 May 2020 and will not stand for re-election at the AGM.

Paul Moody, Independent Non-Executive Director and Chair of the Remuneration Committee resigns as a Director with effect from the close of the AGM on 9 July 2020 and will not be standing for re-election at the AGM.

## **Resolution 7 – 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 and Risk 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 8 – 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 and Risk Committee will consider and approve the remuneration of the auditor on behalf of the Board.

#### **Resolution 9 – 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 (“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 2 June 2020.

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 2 June 2020, 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 8 October 2021. 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 other than in relation to employee share schemes.

#### **Resolution 10 – 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.

#### **Resolution 11 – Restricted Stock Plan**

In accordance with Listing Rule 94.1(2), this resolution seeks shareholder approval for the renewal of the employee share scheme, being the Pets at Home Group plc Restricted Stock Plan (the “RSP”). The principal terms of the RSP are summarised in Appendix 3. A full copy of the RSP rules are available for inspection at the Company’s registered office from today’s date until the close of the AGM however, in light of the current COVID-19 pandemic and related government guidance, shareholders will not be allowed access to the Company’s offices and are encouraged to review the RSP rules on the Company’s website.

#### **Resolutions 12 and 13 – Partial disapplication of pre-emption rights**

These resolutions seek shareholder approval to grant the Directors the power to allot equity securities of the Company pursuant to section 570 and 573 of the Act (“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 2 June 2020, 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 2 June 2020 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) (“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 both resolutions 12 and 13 are passed, the Directors will have authority to allot shares for cash on a non-pre-emptive basis up to a maximum amount equal to 10 per cent. of the Company’s issued share capital as at 2 June 2020, but with 5 per cent of that figure only being permitted to be used for the specific circumstances set out in resolution 13.

The Directors confirm that, in accordance with the Statement of Principles, it does not intend to issue shares for cash representing more than 7.5 per cent. of the Company's issued ordinary share capital in any rolling three-year period, save in accordance with resolution 13, without prior consultation with shareholders.

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 8 October 2021. 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 2 June 2020.

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 8 October 2021. 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 and could be expected to result in an increase in the earnings per ordinary share of the Company.

As at 2 June 2020, the Company had granted options and awards under its colleague share plans over in aggregate 16,393,301 ordinary shares (assuming full vesting and exercise). This represents 3.28% per cent. of the Company's issued share capital as at 2 June 2020.

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 3.64% per cent. of the Company's issued share capital as at 2 June 2020.

#### **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.

#### **Resolution 16 – Amendments to the Articles of Association of the Company**

The Company's current Articles of Association have not been updated since 10 February 2014. The Company is taking the opportunity at the 2020 Annual General Meeting to propose certain amendments to the Company's Articles of Association principally in order to reflect developments in technology and practice and to provide clarification and additional flexibility.

The Company is proposing the adoption of the new Articles of Association ("proposed new Articles") rather than amendments to the current Articles of Association adopted in 2014 ("current Articles"). The proposed new Articles include provisions enabling the Company to provide additional opportunities for shareholders to participate in general meetings electronically but do not permit the holding of "virtual only" general meetings.

An explanation of the principal differences between the current Articles and the proposed new Articles is set out in Appendix 2 below. Other changes, which are of a minor, technical or clarifying nature, have not been noted. A copy of the proposed new Articles and a copy marked to show the changes from the current Articles will be available on the Company's website at <https://investors.petsathome.com>. The proposed new Articles will also be available at the Company's registered office, however, in light of the current Coronavirus pandemic and the related government guidance shareholders will not be allowed access to the Company's offices and are encouraged to review the proposed new Articles on the Company's website.

Resolution 16 will be proposed as a special resolution. If passed, the proposed new Articles will take effect from the conclusion of the 2020 Annual General Meeting.



# 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 vote at the AGM. This year voting in advance of the AGM by proxy is encouraged due to shareholders being unable to attend and vote in person. A member entitled to vote may appoint the Chairman as proxy to exercise all or any of their rights to vote at a general meeting 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 2020 (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)).
3. To be entitled to 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 2020 (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.
4. As at 2 June 2020, 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 2 June 2020 are 500,000,000.
5. 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.
6. 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](http://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 2020 (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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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 has the right to ask questions at the AGM and any such questions should be submitted in advance of the AGM by email to [investorrelations@petsathome.co.uk](mailto:investorrelations@petsathome.co.uk) or [relations@petsathome.co.uk](mailto:relations@petsathome.co.uk).
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 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.

## Appendix 1 – Directors standing for election and re-election

In accordance with the UK Corporate Governance Code, the Directors will retire and submit themselves for re-election by the shareholders each year. The Board confirms, following the outcome of the Board evaluation, that all Directors continue to provide effective and valuable contribution to the Board and demonstrate commitment to their roles. In reaching its recommendations the Board considered the individual skills and experience brought by each Director and the overall skill set of the Board. The Board also carefully considers other commitments held by each Director. Where a Director holds other roles, and prior to accepting any additional roles, attention is paid to ensuring they are able to commit sufficient time to the Group. The Board has determined that each Director has the ability to continue to provide the level of focus and time required to fulfil their individual obligations at Pets at Home Group notwithstanding their external appointments.

### **Peter Pritchard – Group Chief Executive Officer**

Peter joined Pets at Home in 2011 as Commercial Director and moved to the role of Chief Executive Officer of Retail in 2015. Peter was appointed Group Chief Executive Officer in April 2018. Peter has worked in retail for 30 years in various senior operational and commercial roles at Asda, Sainsbury's, Iceland, Marks and Spencer and Wilkinson Hardware Stores. Peter has a Masters Degree in Business Administration from Stirling University.

### **Mike Iddon – Group Chief Financial Officer**

Mike joined Pets at Home in September 2016 as Group Chief Financial Officer. Mike was the Chief Financial Officer of New Look from 2014 until 2016. Prior to this, Mike held a number of finance roles at Tesco plc over a period of thirteen years, with his final position as Group Planning, Treasury and Tax Director. Before this he held finance roles with Kingfisher plc and Whitbread plc. He qualified as a Chartered Accountant with Arthur Andersen.

### **Dennis Millard – Deputy Chairman & Senior Independent Non-Executive Director**

Dennis Millard was appointed Deputy Chairman and Senior Independent Director of Pets at Home Group Plc in February 2014. He has over 25 years' of experience in finance and strategy roles and as CFO of UK PLCs. He is also currently the Chairman at The Watches of Switzerland Group.

He has over 13 years' of experience as Non-Executive Director, Senior Independent Director and Chairman of publicly listed and privately owned retail and service businesses (including Halfords Group PLC, Superdry PLC and Debenhams PLC). He is a member of the South African Institute of Chartered Accountants and holds an MBA from the University of Cape Town.

### **Sharon Flood – Independent Executive Director**

Sharon was appointed to the Board of Pets at Home Group in 2017. She has impeccable retail credentials having worked with Kingfisher, John Lewis and more recently as Chairman of French luxury goods company ST Dupont. Both Sharon's plc experience and understanding of the retail market contribute significantly to her input with the business.

Sharon is also Audit Chair at Crest Nicholson plc and Network Rail.

### **Stanislas Laurent – Independent Executive Director**

Stan was appointed to the Board of Pets at Home Group in 2017. His entrepreneurial background and understanding of the digital online space in consumer facing businesses add significant value as omnichannel capabilities are expanded at Pets at Home.

Stan was formerly President and CEO of Photobox and COO of AOL Europe. He is currently Partner with Highland Europe (Growth equity).

### **Susan Dawson – Independent Non-Executive Director**

Professor Susan Dawson was appointed to the Board of Pets at Home in July 2018. Professor Dawson is Dean of the Institute of Veterinary Science at the University of Liverpool. She qualified as a veterinary surgeon from Glasgow in 1983 and spent several years in veterinary practice before joining the University of Liverpool in 1988. Professor Dawson is currently a council member of the Royal College of Veterinary Surgeons (RCVS) and chairs the mind matters initiative. Susan was a member of the Veterinary Products Committee (2002-2011), a scientific advisory committee to Defra, and was also the veterinary adviser to the Antimicrobial Resistance and Healthcare Associated Infections Committee for the Department of Health. Professor Dawson was previously President of the British Small Animal Veterinary Association.

### **Ian Burke – Non-Executive Chairman**

Ian was appointed as Chairman Designate in March 2020, taking over from Tony DeNunzio as Chairman in May 2020.

Ian has been chair of Studio Retail Group plc since 2017 and is also a Non-Executive Senior Independent Director of intu properties plc, where he has been a member of various board committees since 2018. Ian has extensive board experience; past board positions include CEO of Thistle Hotels, Chair of the privately owned veterinary group Vet Partners, and a long tenure on the board at Rank Group plc. as non executive chair, executive chair and CEO.

Ian brings to the Board a wealth of experience from the leisure and retail sectors and has significant prior experience of participation in audit and remuneration committees.

## Appendix 2 – Summary of principal changes to the Company's proposed new articles of association

### Electronic participation in general meetings

The proposed new Articles include provisions enabling the holding of general meetings of the Company by means of a combined physical and electronic meeting whereby a general meeting will continue to be held at a physical venue but the Company will have the option to put in place additional facilities to enable shareholders to attend the meeting by electronic means. This would include by means of electronic facilities such as websites, conference call systems or other electronic devices. The proposed new Articles are intended to allow (but not require) the Company to embrace and utilise new technology as it develops. The proposed new Articles are in line with best practice and do not allow the holding of "virtual only" general meetings. Nothing in the proposed new Articles will preclude physical general meetings being held.

### Election, appointment and retirement of Directors

The Company's current Articles require that, in accordance with the provisions of the UK Corporate Governance Code each Director will automatically retire at each Annual General Meeting of the Company. The proposed new Articles contain provisions (allowing additional appointments or automatic re-election) so that the Company can continue to operate, and comply with its legal and regulatory obligations, in the event that not enough Directors are able to act because the resolutions for re-election put to an Annual General Meeting have not been passed.

### Removal of KKR Director appointment provisions

As KKR My Best Friend Limited KKR no longer holds any shares in the capital of the Company, the provisions relating to KKR's right to appoint any Non-Executive Directors to the Board of the Directors of the Company from time to time have been removed.

### Untraced shareholders

The proposed new Articles will amend the provisions of the current Articles relating to shareholders who are considered untraced after a period of 12 years. The proposed new Articles will give the Company more flexibility when trying to trace shareholders, allowing the Company to use reasonable efforts to trace the shareholder and to let the shareholder know that the Company intends to sell their shares. This can include engaging an asset reunification company or other tracing agent to search for shareholders who have not kept their details up-to-date, or taking any other steps the Company considers appropriate (including the option for the Company to place notices in newspapers which is contained in the current Articles).

## Appendix 3 – Summary of principal terms of the RSP

### 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:

- (i) 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;
- (ii) 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
- (iii) 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.